



Daily Report

Latin America

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

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Cuba

ANPP 27 Dec Highlights Reported
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[Editorial Report] Havana Tele Rebelde Network in Spanish at 0012 GMT on 27 December broadcasts highlights of the morning and afternoon sessions of the National Assembly of the People's Government [ANPP] plenum at the Convention Center in Havana. ANPP President Ricardo Alarcon is chairing the meeting and giving the floor to various delegates. Fidel Castro is seated at the dais.

Unidentified ANPP delegate reads address on need to generalize scientific and technological developments in sugar industry recovery efforts. Delegate Manuel Cordero stresses importance of workers' training, failure to increase efficiency despite workers' heroic efforts, and introduction of moral and material incentives. He expresses certainty that better results will be attained and the importance of explaining to workers the value of the Basic Cooperative Production Units [UBPC's], that production should come before anything.

Delegates Hector Luis Laurencio Perdomo and Berena Samariego make general statements on efforts, support of tasks, UBPC's, voluntary work, Federation of Cuban Women's involvement.

Delegate Eusebio Enrique Orama notes that workers have grown in their struggle against difficulties, that they contribute innovations. He commends Youth Labor Army [EJT] efforts and spirit and concludes by praising the UBPC initiative.

Delegate Victor Hugo Calvino expresses his approval of the sugar industry report read to the National Assembly, stresses importance of increasing efficiency, demanding stricter controls, standards.

Delegate Orlando de la O calls for further information on Mainegra's report and on lax efforts in installing turbogenerators, asks if ANPP Sugar Industry Committee had studied efficiency of the noncane labor force that had participated in the previous harvest. He compares the efficiency and productivity of these workers with the expense incurred in feeding and housing them.

Delegate Juan Felipe Marrero Lopez observes Hector Molina Agroindustrial Complex efforts to promote sugarcane recovery—that they planted 57 caballerias, five over the plan; workers' welfare programs; and that the UBPC labor force has met plans without the need for mobilizations.

Delegates Caridad Viera Concepcion and Cira Maria Cruz stress workers' commitment to surpass production plans.

Delegate Juan Eduardo Amaya Quinonez praises UBPC's role as part of the program to rectify negative trends under the principle: To each according to his

work, to each according to his talents. The program concludes for broadcast of the 0100 GMT National Television News.

The ANPP highlights continue at 0130 GMT, with delegate Diosdado Preval explaining that the four Guantanamo mills have installed turbogenerators and that locals will not relinquish their sugarcane harvest goals.

Delegate Argentina Valenciano passionately stresses the importance of strict controls and standards as mentioned earlier by another delegate and the need to eliminate paternalism. There is a brief closeup of Fidel and Raul Castro sitting side by side, applauding.

Delegate Belkis Sanchez observes workers' commitment to meet goals and increase energy efficiency, followed by delegate Omar Ramadan Reyes' description of efforts to increase productivity of available sugarcane. He notes that thousands of workers and their families have received incentives, praises the UBPC's potential, and urges vigilance to ensure that negative trends do not creep in.

Delegate Yolanda Caballero expresses her belief that new economic efficiency is permeating workers' thoughts. She notes the importance of the worker welfare program, that workers are concerned about difficulties with the Cuban Workers' Federation domestic appliance program. Delegate Roberto Vasquez Lopez discusses efforts to increase efficiency, and also comments on the workers' welfare programs.

Delegate Dania Leon Silveira describes efforts to fulfill goals, cites youth mobilization to the sugarcane harvest as a major accomplishment, noting that the UBPC workstyle is promoting efficiency and morale in the mobilized workers. She presents a wooden clock to Castro. Castro asks her about the program involving hotel workers in sugarcane recovery because currently there are efforts to reduce hotel personnel to a minimum level, which might affect hotel service. Silveira answers that hotel workers are not being mobilized to the fields but are donating tips to buy supplies for sugarcane workers, thereby not relinquishing their important work. Castro salutes the idea.

Alarcon gives the floor to delegate Margarita Julia Jimenez Gomez who stresses the work of the UBPC and agrees that the political and morale status of workers is good despite great material difficulties.

Delegate Jasin Chasval believes that the UBPC's role is to increase efficiency and that there is a need to control this new idea and the recovery of equipment, a need to change mentalities and to preserve the accomplishments of socialism.

Delegate Omar Triana Hernandez stresses the importance of implementing scientific developments into the functions of the sugar industry, which is the main staple of the Cuban economy. Delegate Juan Perez Ponce notes the importance of sugarcane stock and seeds, and the

implementation of biotechnology developments to solve seed production difficulties.

Delegate Alfredo Morales explains subjective aspects of sugarcane inefficiency. He notes that over 4,000 workers had been mobilized in previous years and that machinery has humanized labor. He comments on efforts to establish a quality labor force and the importance of the millionaire brigade program.

Sugar Industry Minister Nelson Torres compliments the delegates on their comments, adding, however, that it would be impossible to respond to every comment. He explains that conditions for mill repairs have been difficult, that material difficulties are the result of known external conditions, not only lack of control and waste. Torres goes on to list reductions achieved in consumption of materials and workers' efforts in the installation of turbogenerators. He cites Ministry of Construction workers' achievements and the importance of energy efficiency. Torres adds that it is only fair to praise the workers' efforts in preparing to begin the harvest.

He comments on spare parts and fuel difficulties. Torres commends the efforts of thousands of mobilized workers, the tremendous productivity of many. Torres describes one role of the UBPC as trying to halt migration from rural to urban areas, adding that the UBPC still needs more personnel. Torres states that more time is needed to analyze the effectiveness of the UBPC program, that fuel difficulties also shape results and the possibility of planting 30,000 caballerias of sugarcane. Torres observes the difficulties with basic supplies such as shoes, fertilizers, etc.

At this point Castro queries Torres on the amount of cement and steel used, wasted, in the sugar harvest in previous years. Castro says to Alarcon that Torres has answered the concerns of the delegates quite well and goes on to speak about the contingents, mobilized workers. Delegate corrects previous statement: not 4,000, but 40,000 mobilized workers.

Castro says that they have not discussed the causes of this situation. Castro discusses the Torres' report and refers to the elimination of subsidies. He adds: "It constitutes the essential step toward the basic financial goal—the important thing is the country's need, but it constitutes important steps toward another basic goal—the basic financial goal. The economic goal here is the need for sugar.

"To the committee's report we should also add an element, the lack of which has caused incalculable damage lately—fuel. We also have to keep this in mind.

"To understand the sugarcane recovery program, however, we need to keep in mind that we were engaged in an effort to increase sugarcane production and productivity per hectare. We wanted to get much more sugar from the same land area. We were working intensely on this goal.

We already had 201 irrigation and plot drainage brigades. In a number of years, they were going to implement this system on nearly 1 million sugarcane hectares. This system practically doubled sugarcane production per hectare, protected sugarcane in low-lying areas from flood damage, allowed for outstanding irrigation because the land was leveled."

Castro continues on related efforts—construction of irrigation channels, new mills, combine factories, and ample availability of fuel, fertilizer, and Fregat irrigation machines. Castro notes "all that was lost" due to the lack of supplies, fuel: construction of irrigation systems, for instance, was halted. Castro stresses that a more aggressive animal-power policy was needed for all sectors of agriculture. Lack of herbicide and other supplies also affected sugarcane yield.

Castro goes on to say: "Despite all this, in 1992, we produced 7 million tons of sugar. That was truly significant. The big blow came in 1992. That is when we felt the accumulative effect of the lack of fertilizer, for example. The cane did not receive fertilizer in 1991. The yield was becoming progressively smaller. In 1990, the fertilizer available was also minimal. The amount of residual phosphorus and potassium was depleted."

Castro continues discussing the effects of the fertilizer shortage, the drought toward the end of 1991, operational problems at certain mills, lack of spare parts for combines, tractors, delays with shipments of tires. Castro states that excessive rains in 1992 forced certain mills to halt operations for up to two months.

Castro continues: "All these factors reduced last year's production to 4.2 million tons, following great difficulties." He says that these combined factors made the harvest less efficient, adding: "This resulted in a great blow to the economy, which lost approximately \$400 million, based on the estimate of 6 million tons of sugar—already a million less than the previous harvest. As a result of this, the term 'sugarcane recovery' emerged. What does it mean? I believe it means we have to produce more sugar than that being produced now, under special period conditions. The hard part is having to produce more sugar in order to acquire important supplies."

Castro stresses that the plan to plant 60,000 sugarcane caballerias in two years requires plowing 60,000 caballerias and this requires machines and fuel. Castro goes on about the need for fertilizers and notes: "It is a good thing that the UBPC's are requesting fewer workers and are making do with their current labor quotas. It is good news that they have attained a 1-48 level [not further identified] and that the number of workers joining the UBPC continues to increase. This is very important because it might help to fulfill the goal of performing tending tasks as well as possible."

Castro also discusses the need to solve problems, the need to apply fertilizers as intelligently as possible, and adds: "We need to do with 400,000 tons of fertilizer what we did before

with 800,000 tons. This requires a much more rational and sophisticated effort, requires knowledge of what seedling or caballeria needs fertilizer; how much here and how much there. It needs to be distributed field by field; always seeking to apply the fertilizer where it will yield the most. For example, I believe that with \$60 million in fertilizer we can attain \$200 million in sugar. Fertilizer is perhaps one of the most important elements in increasing sugar production."

Castro notes how one aspect of the crop affects another. He commends the delegates: "I believe that the things discussed here have been very good, very encouraging. I very much like what the comrades from the base level have said. I believe that they have enriched the subject more than the two reports. The reports were general.

"We have seen reflected here the attitudes of the workers in many places, as when the comrade from Mayari spoke and explained what they were doing there; when the other comrade spoke and explained how they had weeded so many sugarcane caballerias with the help of the People's Council and the Committees for the Defense of the Revolution; the comrade who spoke about the Federation of Cuban Women efforts; the comrades who spoke of the heroic attitudes of the workers—at times without shoes or appropriate conditions, but on the basis of their effort and spirit.

"If the base truly works in this manner, if we manage to boost the spirit that has been mentioned here so much, then any resource can really yield results. Without this, there is no purpose in acquiring fertilizers, fuel, herbicides, or tools. This is what is needed. This alone will surely improve the situation with sugarcane. One understands well enough that if there is not a drop of fuel to irrigate the fields, we cannot plant in January, February, and March—the dry season; nor conduct important plans. If there is not a drop to irrigate, we cannot hope to attain higher yields from sugarcane.

"It is obvious that if the amount of cane needed is not planted, we cannot attain a production increase in a relatively quick period of time, no matter how great the effort. It is good, however, that it was mentioned here this morning."

Ricardo Alarcon opens the floor to the second issue of the agenda, the progress report by Iran Gonzalez, president of Havana Province People's Assembly. Iran Gonzalez addresses the ANPP. He begins by contrasting the conditions under which Havana Province last addressed the ANPP, when the socialist bloc still existed. Gonzalez stresses today's stronger commitments, independence, and sovereignty.

Camera shows Division General Ulises Rosales del Toro and Foreign Minister Roberto Robaina, Juan Almeida Bosque, Carlos Lage, other Politburo members at the dais.

Gonzalez recounts programs to stabilize the labor force, comments on the construction of rural housing complexes, people's efforts, and contributions by the Ministry of the Revolutionary Armed Forces and the Youth

Labor Army. Gonzalez lists accomplishments, including establishment of research centers, biological fertilizer reproduction centers, animal power programs, blackeyed pea-tobacco rotation programs, and the citrus harvest. Gonzalez stresses the effects of weather, fuel, and equipment difficulties. Cattle have been affected by the blockade and the collapse of the socialist bloc, he says. There has been a total halt of animal feed shipments. Voinin Rational Grazing System is beginning to yield results.

Gonzalez concludes, stressing confidence in ability to overcome difficulties. He thanks all workers, entities, organizations, and Castro: "To you, Fidel, father and brother, but above all, leader, the indisputable leader of the people, we say thanks, a thousand times thanks for firmly holding onto the helm; thanks for keeping firmly and solidly rooted the lone-star flag in the heart of the fatherland; thank you for preserving our Bayamo hymn; thank you, Fidel, for preserving our fatherland; thank you, Fidel for keeping Marti alive among us. Socialism or death, fatherland or death. We shall win! [applause]

Iran Gonzalez presents Fidel with a copy of the monument the Revolution built to the 17 Artemisa martyrs of the Moncada and the Sierra Maestra. Revolution Commander Ramiro Valdez hands the plaque to Castro.

Alarcon gives the floor to delegate Marta Nellis Rodriguez who speaks about a visit to local Havana Province bodies, emphasizing that the province was seriously committed to the progress report process, was truly committed to fulfilling difficult goals, and that living conditions and productivity have been affected by special period conditions.

Delegate Pablo Belkis Ramirez reports that during an August visit to the province, they were impressed by the cultural efforts being conducted and the identity the province had developed.

Delegate Floraida Anaud Delgado stresses farming and cooperative sector accomplishments. She says that although shortages of supplies affect production, a lack of controls is even more damaging. Delegate Ana Teresa Mayor Gonzalez says that although the province is facing difficulties like any other province, it is also achieving great things.

Delegate Nilo Diaz Fundora discusses Havana Province workers food program efforts, UBPC's, plantain crop efforts, increased work hours, and quality planting efforts. The province has increased defense preparations, and has trained younger personnel.

Delegate Clemente Matos Martinez, also president of the Cuban-Bulgarian Friendship Farming Cooperative, reports that they have harvested 300,000 quintals of vegetables to date. He also discusses productivity and profitability.

Castro asks delegates the current number of workers in the cooperative and about direct distribution to stores.

Matos explains that 30 younger workers have joined the cooperative. He also discusses distribution to the Berroa central market. Castro and Matos engage in a dialogue about crop prices, productivity per worker, the cabbage harvest, potatoes, plantain, garlic. Castro suggests they use dogs to protect garlic fields from robbers.

Castro asks his opinion on the UBPC's. Matos answers that many good workers belong to the UBPC and that they are cooperating and sharing their experience. Castro agrees that UBPC's are very new, but have gained from the experience of farming cooperatives. He adds that cooperatives are more efficient than state farms and stresses the need to maintain controls on UBPC production in accordance to the countries' needs

Castro Engages in 28 Dec ANPP Debate

FL2812223993 Havana Radio Reloj Network in Spanish 2032 GMT 28 Dec 93

[Text] During this morning's session of the National Assembly of the People's Government second regular session, Commander in Chief Fidel Castro said it is our duty to leave this assembly having cleared all the issues and, above all, with the duty of explaining to the people all the questions that may arise about the implementation of the decree on self-employment. Fidel Castro prompted the deputies to express their views and, based on these, to reach an agreement on what would be most beneficial for the people. Havana Deputy Maria Ducas explained that five permits had been suspended and that some of these create dissatisfaction among the people because many of the self-employed depended on those permits to sell flowers and fast foods, and they were not getting rich doing this. In general terms, the deputies encouraged supervision to prevent profit-making and accumulation of personal wealth.

Speaking during the debate on self-employment, Commander in Chief Fidel Castro said we are experiencing an abnormal situation in the country and under these conditions we should conduct a study to see what would happen should these services be handled by the self-employed. Fidel said that cooperative production in the countryside has a long history in our revolutionary movement and that this has yielded positive results; however, this does not apply to services provided the people. Castro said he believes there are collective and socialist solutions for those services provided the people. These solutions have been implemented by the people's governments and the people's councils. Fidel added that a few years ago there was an outbreak of lack of social discipline, bribery, and corruption among the self-employed, particularly among the so-called illegal street vendors who represent a social phenomenon.

When broaching Decree 141 which established the guidelines for the self-employed, Fidel said that the Cuban people know what can be done with the idea of cooperatives. Castro recalled that during perestroika much was said about cooperative work. The concept of cooperatives acquired a special meaning, adding he is

convinced that many of the services provided the people can be provided by cooperatives. However, Fidel said that not all services can be provided by cooperatives because some of them are unique, but we should not discard any of them as long as reason may tell us that we need new things to solve the social and service problems. The people have many tasks to carry out and problems to solve, and we have serious problems we must confront for the Revolution to survive.

Commander in Chief Fidel Castro discussed self-employment at length, stressing that there are activities that the state should protect as much as possible. An example of this is trade. Castro said that he has very strong beliefs which he will never renounce, noting his trust in socialism and his loathing for capitalism. The top leader told the deputies that, by nature, capitalism creates hypocrisy and war, and that in today's world there is a strong trend toward sanctifying that system. Fidel added that capitalist ideas are very much in style nowadays, saying that there are times when the socialists feel cast aside and have the urge to cry out: Long live socialism, long live Marxism.

Fidel also told the ANPP deputies: We have no fertilizers or fuel, we have nothing; yet we continue to struggle and have proven to the world what an organized country can do when it abides by its principles. The commander in chief added that we must be careful of all those fairy tales and attempts to sanctify capitalism that overlook history and how that system was born and developed. Fidel added that capitalism offers nothing. Castro added: We must keep all this in mind because the situation has forced us to seek ways to adapt to the world we live in, a world which is surrounded by capitalists. Fidel said that without doubts and without hesitation we have been forced to promote some activities and even sell and export our beaches and natural resources.

Speaking to the ANPP deputies, Commander in Chief Fidel Castro said that there are many people abroad who want us to build capitalism and a multiparty system. What they want for us is a Third World-type capitalism. They are offering us nothing better, Fidel added, saying: If we do something today it is with the unquestionable purpose of saving our socialism. The president of the Councils of State and Ministers said that some concessions had been made in order to be able to take a few steps forward and that there are times in the Revolution that we must take steps backward in some areas and improve ourselves in others. Fidel said that we cannot have capitalism and social achievements because only socialism can provide an economy for the good of the people.

Castro said that taxes will never cover what the state must pay to provide the people with education, health, social security, and all the other social achievements. He said that the people must benefit from the country's economic revenue and that the issue of the country's financial situation will be discussed today by the ANPP, not to adopt measures but to think about them. Fidel

said that life creates problems and we must confront them. He added that life itself will provide the solution to those problems. This is why we should not be discouraged. During this morning's ANPP session, the Cuban leader said that the future will bring many changes once we have stabilized our finances; however, the economy must always be an indisputable resource of the state.

Francisco Linares, minister president of the State Committee for Finance, addressed the ANPP deputies to say that Decree 141, which establishes the guidelines for self-employment, was made for honest men and women and not for common criminals. In his special presentation at the ANPP, Linares said that no law had ever awakened so much interest among the people; however, he said that the law has existed since 1968 and all that has been done was to expand it. Linares explained that self-employment must be viewed as a complement to state activities, especially in those areas affected by the current economic situation. He admitted that although the law establishes the guidelines for self-employment, a corps of inspectors to ensure respect for the law was never created.

Linares recalled that permits for the self-employed are given to retired people and those who are without jobs. These permits are issued by the appropriate authorities. Linares told the deputies that a bill is being drafted to fine those who do not abide by the rules.

Carlos Lage, secretary of the Executive Committee of the Council of Ministers, also addressed the ANPP deputies to say that he considers the cancellation of some permits included in the decree as a mistake. Lage said: I believe we are facing a law that is changing and that can be enriched in practice. Lage said that the draft bill should be studied in depth because the people support self-employment.

At the conclusion of the morning session, draft bills presented by the Council of State were approved.

Castro Cited on Turning Services Into Cooperatives

PA2912023493 Hamburg DPA in Spanish 2136 GMT 28 Dec 93

[Text] Havana, 28 Dec (DPA)—Cuban President Fidel Castro announced here today the possibility of transforming certain services into cooperatives in a new step within the slow but constant process of changes being applied on the island.

This calls for a profound meditation prior to adopting specific measures, the experienced statesman cautioned during a debate in the last session of the parliament devoted to so-called self-employment and the process of organizing state land into cooperatives, authorized by the government months ago. Notwithstanding, he noted, there are activities in which the state must preserve its monopoly to a maximum, such is the case of internal as well as external commerce.

Approximately 500 deputies approved the decrees issued by the Council of State authorizing self-employment and the organization of state land into cooperatives. The last meeting of the parliament for 1993, officially considered the most difficult year for the revolution that assumed power in 1959, established that permits to carry out some 140 authorized jobs must be accompanied by their corresponding regulations. The new law approved in September and ratified today authorizes self-employment and allows Cubans to carry out this employment independently, under state supervision, and with the previous payment of a tax.

According to the National Information Agency (AIN), the government is drafting a document that will regulate the infringement of the law on private activities to increase state control and, thus, prevent any violations.

The deputies headed by Castro also recognized that the state was unsuccessful in the management of large farm enterprises and was unable to organize and efficiently develop their production. The new organization breaks down state enterprises into small units. The state, however, keeps land ownership and continues to decide what to grow. Farm workers, who will now become cooperative members, will use the land and own their production as well as their basic tools. This is done to promote individual and collective interest.

Official sources who were consulted disclosed that Cuban authorities hope this modification in the farming sector will be an important incentive to kick off food production as well as sugar, the country's main export.

During the afternoon session, the parliament is assessing the status of internal finances jointly with discussing mechanisms to improve the national economy, which is suffering an excess of currency estimated at 10 billion pesos. (According to official quotations, one dollar is equal to one peso, however, the exchange rate is 80 pesos per dollar in the black market.)

Havana Radio Views 'Reality' for ANPP

FL2812224193 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Dec 93

[Commentary by Luis Sexto]

[Text] The National Assembly of the People's Government [ANPP] is discussing our reality. It is clear for all of us that we do not live in the best of all possible worlds. On the contrary, it is common knowledge that the best of all possible worlds is yet to be built. We have to acknowledge, of course, that to build that world, that better country, is today an extremely difficult task. It is a task that requires intelligence, boldness, and, above all, careful thought. No matter how urgent today's problems are, nobody can expect solutions to emerge from a magician's hat.

Our reality faces a dilemma. It needs to quickly solve its problems and also needs caution to ensure more correct

measures are taken, measures more appropriate to the moment. It is necessary to also keep in mind, in this process of discussion, that certain patterns of the prevailing mentality of Cubans should be eliminated. At first glance, it seems impossible to adopt productive, creative steps as long as egalitarianism continues affecting the evaluation of our reality. The people must be aware that every individual should receive the salary that he is truly capable of earning with his labor. The people must also be aware that the state cannot continue to subsidize economic inefficiency.

There are two evident realities: An overabundance of subsidies is also a cause of inefficiency and social justice is, above all, an act of reason. I have seen in the ANPP discussions that the most acute, more courageous opinions come from deputies who have a greater contact with life, who know better the reality and its demands.

We must agree that any solutions to current problems have to undergo a reality check. To be realistic today is, in my opinion, the most useful way to be a revolutionary.

Jesse Jackson Reads Statement to Press

FL2812205893 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Dec 93

[Text] For the second time in 24 hours, Reverend Jesse Jackson has criticized the U.S. blockade of Cuba, describing it as an economic war that heightens poverty and shortages. During another news conference held at the Foreign Press Center, the leader of the Rainbow Coalition said that the end of the Cold War in Europe should establish a climate of understanding between the two governments to try and eliminate what he described as a cycle of pain that has lasted more than 30 years. Jackson described his country's policy toward Cuba as irrational, and asked himself: Why is it that President Bill Clinton and President Fidel Castro cannot meet and talk like other world leaders—Israel and the PLO, Dos Santos and Savimbi, Mandela and De Klerk, the UK and Northern Ireland?

In a three-page statement read to local and foreign correspondents, Reverend Jackson said that during his meeting with Commander in Chief Fidel Castro, they discussed various issues, such as Cuba's domestic economic policy forced on the island by the blockade. In response to questions asked by the correspondents, Jesse Jackson once again broached the issue of improving relations with Cuba and suggested that the two leaders break the neutral zone. We are going to choose hope over pain, Rev. Jackson said.

Castro Allows Granddaughter To Leave

PA2812143593 Mexico City XEW Television Network in Spanish 1300 GMT 28 Dec 93

[Text] Cuban President Fidel Castro has granted his 16-year-old granddaughter, Alina Maria Salgado, permission to leave Havana and join her mother, Alina Fernandez, provided no family member objects.

That is what Castro told Reverend Jesse Jackson, who flew to Havana to meet with the Cuban leader. Jackson asked the U.S. Government to end the economic embargo against Cuba. The cycle of hostility, which has lasted 30 years, must be broken, Jackson said in Havana. He wants the struggle to end. According to him, Cuba has taken many steps to release its economy from state control, but food and medicine shortages continue.

Jackson traveled to Havana for humanitarian reasons. His comments on Alina Fernandez' daughter seem to have opened the door for the mother's greatest wish to be fulfilled.

Raul Castro Attends Western Army Military Council

FL2812211593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Dec 93

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba and Revolutionary Armed Forces (FAR) minister, has presided over the Western Army's Military Council. Pleased after having the Western Army being graded as good during the ministerial inspection, Division General Leopoldo Cintra Frias opened the Western Army's Military Council. Also attending the event were Div. Gen. Ulises Rosales del Toro, FAR vice minister and chief of general staff; and Jorge Lezcano and Candido Palmero, all members of the Politburo of the PCC Central Committee. [Words indistinct] province located in the western sector, high-ranking Central Committee members, and high-ranking Ministry of the Revolutionary Armed Forces and Interior Ministry [Minint] officers.

Brigadier General Samuel Rodiles, second in command of the Western Army, presented a report that covered a year of titanic work and tangible successes amid [words indistinct] special period. Rodiles stressed the achievements and pointed out the problems that the powerful army would strive to overcome in 1994. Rodiles also announced the new and difficult goals for next year. Div. Gen. Carlos Fernandez Gondin, first vice president of the Minint, also spoke during the event. He talked about the struggle against crime. Enrique Oltuski, vice minister of the the Fishing Industry, talked about the development of fishing industry.

In addition to discussing the many tasks aimed at the defense of the territory, the Western Army's Military Council conducted an in-depth study on how to save financial and material resources as well as the agricultural production of tubers, orchards, grains, tubers, measures aimed at self-sufficiency. The officers also discussed fish breeding in ponds. Div. Gen. Ramon Espinosa and Div. Gen. Joaquin Quintas Solas, chiefs of the Eastern and Central armies, respectively, were guests of honor at the event. They learned of the achievements and experiences attained by the powerful armed branch that defends the capital city and the western sector of our country.

Raul Castro concluded the council with open heart-felt thoughts of those somber days of December 1956. Raul Castro recalled how in those days [words indistinct] as the Mambis taught us, the unbreakable determination to fight, to win, or to die, and the certainty of the final victory of the cause of independence, freedom, and justice.

Raul Castro Meets KPA Navy Delegation

SK2712031593 *Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 26 Dec 93*

[Text] Comrade Raul Castro Ruz, second secretary of the Cuban Communist Party Central Committee, first vice president of the Council of State, first vice president of the Council of Ministers, and minister of the Revolutionary Armed Forces, met the Korean People's Army's [KPA] Navy delegation led by Admiral Kim Il-chol on 24 December.

During the meeting the head of the delegation conveyed the great leader Comrade Kim Il-song's and the dear leader Comrade Kim Chong-il's greetings to Comrade Raul Castro Ruz. Comrade Raul Castro Ruz expressed deep gratitude and asked the head of the delegation to convey his warm greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Comrade Raul Castro Ruz said that some socialist countries were frustrated because of maneuvers by the imperialists and betrayers, but the Cuban revolution and the DPRK revolution are continuing to move forward. He emphasized that the Cuban communists will safeguard socialism to the end with the spirit of their beginning when fought with seven guns.

He continued to say that the Cuban people and Army will exert all efforts to strengthen and develop the friendly and cooperative relations with the DPRK people and Army. He expressed the firm belief that the DPRK's independent and peaceful reunification will be achieved and that the day when the U.S. forces will withdraw from the Guantanamo base, which is in Cuba's territory, will come without fail.

Ulises del Toro Rosales, first vice minister of the Revolutionary Armed Forces and chief of general staff; the vice president in charge of political affairs and Navy commander; the vice president and commander of the Air Force and anti-aircraft command; and the ambassador and military attache of the DPRK Embassy in Cuba were on hand.

Commentary Views Agreements With Russia

PA2812043093 *Havana Radio Havana Cuba in Spanish 0000 GMT 28 Dec 93*

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[Text] Cuba and Russia reached an understanding capable of normalizing the economic relations that suffered a marked disruption after the deep changes in the former Soviet Union. Proof of the points of convergence between the two sides is the recent signing of a protocol for trade cooperation in 1994, which establishes the delivery to Russia of 1.5 million tons of unrefined sugar from Cuba. In exchange, Cuba will obtain 4 million tons of Russian oil, an amount which, although below the more than 13 million tons acquired in 1989, is at least significant in the island's current economic situation. To the modest Russian allocation will be added the national oil production which this year reached 1.6 tons and which was basically used to produce electricity in the thermoelectric plants.

It must be stressed that in 1992, Cuba was forced to keep the economy running with a little over 6 million tons of oil, included in that figure are the purchases on the international market. According to estimates, the country had a similar amount in 1993. In addition to the exchange of oil for sugar, Russia and Cuba incorporated a new form to their ties by creating the (Rus-Cuba) International Economic Association [Asociacion Economica Internacional] for the purpose of seeking the development of investments between the two countries. More than 30 Russian companies have expressed their interest in being founding members of (Rus-Cuba) because they view the idea of establishing joint enterprises in this country as very attractive. Cuba has the objective of fomenting this type of association in factories and installations built with Soviet cooperation and whose technology is known by the two parties. This project is added to a protocol signed by the two parties in July on protection for joint investments and the granting of a Russian credit of approximately \$350 million for the conclusion of projects begun on the island with Russian technology.

We cannot forget that Moscow and Havana also decided to expand their ties to other fields. This is shown by the signing this month of several documents dealing with scientific, technical, and cultural cooperation for 1993-1995. Undoubtedly, this year, Russia and Cuba have laid the groundwork to begin a new phase in their relations, based on a realistic focus of the world situation and the possibilities of each of the parties.

Newspaper Carries Alternate Saturday Workday Resolution

FL2812201793 *Havana Radio Rebelde Network in Spanish 1800 GMT 27 Dec 93*

[Text] The 27 December morning edition of the TRABAJADORES newspaper carries a resolution on alternate Saturday workdays for 1994. The resolution specifies that the system of alternate full workdays is not applicable to activities related to the sugarcane harvest, other farming tasks, emergency work of the port-transportation-domestic economy chain, hospital and social aid transportation services, or certain others.

Likewise, the resolution establishes that those workers included in the alternate Saturday full workday system are entitled to receive the salary corresponding to 1 January. Also diverse work centers that provide services to the population will work full workdays on alternate Saturdays. Whenever the need arises, however, they are entitled to work every Saturday if so decided by the provincial and municipal administrative leadership in the Isle of Youth municipality.

Haiti

Soleil 27 Dec Incidents Make 1,500 Homeless

FL2812203393 Port-au-Prince Radio Metropole in French 1145 GMT 28 Dec 93

[Excerpts] The residents in Cite Soleil are still in shock following the bloody events of Monday, 27 December, in the Brooklyn neighborhood; incidents which which caused four deaths. More than 200 houses also were destroyed by fire, resulting in more than 1,500 disaster victims.

These serious incidents started following the assassination of a FRAPH [Revolutionary Front For the Haitian Advancement and Progress] leader, whose dead body was burned. Paul Issa was reportedly murdered by people hostile to FRAPH in this area of Brooklyn, Cite Soleil, bastion of President Aristide's supporters. As a reprisal for the murder, two alleged FRAPH members reportedly fired on residents of this neighborhood. A fire followed in Cite Soleil, which faced quite an eventful day on 27 December. Edner Jean files a report:

[Begin Jean recording] It all started on Sunday night, when Paul Issa, a well-known cabinetmaker in Cite Soleil and FRAPH treasurer in the area was murdered at home. His corpse was then burned. In reprisal, a detachment of FRAPH launched a punitive action against the residents of Cite Brooklyn, a poor neighborhood of Cite Soleil, considered a bastion of President Aristide's supporters.

Armed with sticks, revolvers and fragmentation grenades, the members of this cell of FRAPH in Cite Soleil raided the area. It was a real operation. In the middle of the action a fire broke out. Terror and despair were added to the poverty of Cite Soleil residents. The incident turned out to be a tragic drama. [passage omitted]

It was difficult for the reporters on the spot to make an exhaustive evaluation of the losses in human lives and in material caused by those incidents. This was because most of the victims had been terrorized and thus refused to answer our questions out of fear of new reprisals. In fact, in addition to the three people who were shot, we

saw several young men who were beaten bloody and then taken away to an unknown destination by some armed civilians. Herve Black, who was coordinating this operation on the spot for FRAPH, asserted that his organization was not responsible for the fire. [passage omitted]

While awaiting the conclusions of a police investigation being conducted to bring light on this matter, 1,500 persons are homeless today. We saw them displaying their poverty in daylight. [end recording]

Netherlands Antilles

Interim Prime Minister Installed; Cabinet Named

FL2812225393 Bridgetown CANA in English 2218 GMT 28 Dec 93

[Text] Philipsburg, St. Maarten, Dec 28, CANA—Sociology professor at the University of the Netherlands Antilles, Dr. Alejandro Felipe "Jandi" Paula, was sworn in on Tuesday as head of an interim government of the Netherlands Antilles.

The 56-year-old prime minister heads a cabinet including Faroe Metry, minister of finance; Suzy Romer, minister of justice; George Hueck, minister of public health, environment and social affairs; and Leo Chance, deputy prime minister and minister of traffic and communication.

Professor Paula, who will also be responsible for general affairs, is the third non-politician to assume the post of prime minister. In 1992, he obtained a Ph.D in social sciences from the University of Utrecht in Holland. He has been for the past 20 years, head of the central government's historical archives.

Paula is married to the former Monica Beddoe of Trinidad. The couple have two children, Brent and Melanie. He was named prime minister after the coalition government headed by Prime Minister Maria Liberia-Peters collapsed in the face of the withdrawal of some support. The 34-year-old justice minister, Romer, was appointed successor after Liberia-Peters resigned in November.

Parliamentary elections have been set for February 25 and the law-making body will be dissolved on January 1. Professor Paula confirmed that Liberia-Peters had asked him to head the interim government. "I agreed under the condition that it would be a decision of all the parties involved in the coalition," Paula said.

In an interview, Paula said, "I have accepted the office because after three weeks I have concluded that I have been speaking to many people who have confided in me and who have expressed their worries, concerns and desires. I think that being in the cabinet, you can respond to those requests."

El Salvador

FMLN Denies Involvement in Gun Running

PA2812235693 San Salvador Canal Seis Television in Spanish 0200 GMT 28 Dec 93

[Report by Wilber Gomez; from "The Newscast" program]

[Text] The Farabundo Marti National Liberation Front [FMLN] today reiterated that the weapons issue is completely closed and denied that its members are involved in any gun running to Guatemala.

According to Leonel Gonzalez, the weapons issue is a closed case because the FMLN complied with the delivery and destruction of the war materiel in accordance with the agreement established with the government. He denied that the FMLN is linked to alleged gun running activity to Guatemalan territory.

[Begin Gonzalez recording] So far, all we have is assumptions and news reports. Onusol [UN Observers for El Salvador] has sent no official notification to the FMLN. We are working on the new timetable and we feel that that which is stated in the letter sent to the UN secretary general should be included in it. [sentence as heard; end recording]

Gonzalez said that there are political motives behind this new accusation in order to curb the FMLN growth vis-a-vis the 1994 general elections.

[Begin Gonzalez recording] It is evident that it is no longer ARENA [Nationalist Republican Alliance] members who are trying to weaken the FMLN political stand but the government. Government officials, the ministers and the president, keep mentioning the gun running issue. [Joint Army Chief of Staff] Colonel Garcia Prieto is also talking about the same topic. Thus, it is obvious that the government wants to keep the weapons issue alive because they feel that it weakens the FMLN politically. [end recording]

He also denied that FMLN members are training Guatemalan guerrillas. He asked that evidence be presented and that those found guilty be turned over to justice.

Roundup of Economic Developments Through 28 Dec PA2812235493

[Editorial Report] The following is a compilation of reports on Salvadoran economic developments monitored through 28 December. Source is cited in parentheses following each item.

Eduardo Barrientos, president of Procafe [a private nonprofit foundation], has reported that Salvadoran coffee production dropped by 30 percent this year because of climatic factors. (San Salvador Canal Doce Television in Spanish 0300 GMT 21 Dec 93)

Fifteen Drown Trying To Enter United States

PA2312131693 San Salvador Canal Doce Television in Spanish 0300 GMT 21 Dec 93

[Report by Alfredo Villareal from the "Up-to-Date" newscast]

[Text] Red Cross spokesman Carlos Lopez Mendoza reported that a tragedy occurred in the Mexican port of Arista in the Gulf of Tehuantepec when two light boats carrying a group of Salvadorans to the United States sank in rough seas and 15 people drowned.

[Begin Lopez recording] At least 15 people died, all of them from Usulután. All their names have been confirmed by their relatives; not by us, definitely not by us. We understand they were headed for New York. The problem is that they give us their names, but they almost always give false names to avoid being arrested. [end recording]

Hundreds of Salvadorans hoping to improve their situation take very high risks to enter the United States, but they often have a different fate. Lopez Mendoza said the bodies will not be repatriated because a new Mexican law mandates they must be buried where they were found.

[Begin Lopez recording] If there were bodies, they have been buried where they were found by now in accordance with a new Mexican law that presumably seeks to avoid the spread of AIDS and other diseases. The law was adopted as a preventive measure. That is all the information I have. [end recording]

The Salvadoran Foreign Ministry confirmed the incident but did not mention the number of casualties as it is still consulting with Mexican authorities, who have revealed very little information about the incident.

Nicaragua

H. Ortega Withdraws Suit Against LA PRENSA

PA2912002693 Managua Radio Nicaragua Network in Spanish 1615 GMT 28 Dec 93

[Statement by General Humberto Ortega, commander in chief of the Sandinist People's Army, at a news conference held in Managua following a meeting with Cardinal Miguel Obando y Bravo; broadcast in progress—live or recorded]

[Excerpt] ...the Army's main objective for next year, which will consist of strengthening all Army plans to guarantee more order, tranquility, and stability in northern Nicaragua in order to encourage production and so that peasants can work in peace. We know that without production it will be impossible to resolve the critical problems of unemployment and poverty that still exist in Nicaragua.

I told the cardinal that in order to carry out that task, the Army needs more understanding from society. On behalf

of the Army, I requested his support to make society understand what the Army is doing on behalf of peace and production and to fight poverty, which in this case is guaranteeing stability in rural areas.

That was the main thing I came to tell the cardinal. I also mentioned to him that this year the Army sustained approximately 200 casualties in trying to maintain order. It is difficult for us to do our job without recognition from society and more understanding from the national media. Unfortunately, some situations are not reported objectively. We believe the media should confirm reports before they are published, otherwise, reports can cause alarm, which does not contribute to creating a climate of peace.

Basically, that was my message to the cardinal. I requested his support in asking the media to be more moderate in criticizing Army operations and to verify their reports, which should be confirmed before they are published.

The cardinal was very receptive and expressed his views with regard to my request. He asked me if in order to contribute to creating a climate of greater understanding during the Christmas holidays, which is a time for reconciliation, I would be willing to withdraw the charges of slander and libel filed by the Army against LA PRENSA Director Pablo Antonio Cuadra. He told me that this gesture would be very significant to encourage understanding among Nicaraguans. He recommended that well-known personalities such as Pablo Antonio and I, as the Army representative, should close the year in a climate of understanding and not of conflict. He stressed that this action would contribute to creating that climate of reconciliation.

I am responding to this Christian request from the cardinal by announcing that as of this moment I have decided to withdraw the suit. We will immediately instruct our legal representative, Dr. Portocarrero, to proceed accordingly.

I believe this was a very important step and it is clear now that there is no genocide. It is true that the Army had to act. As I told the cardinal, had the report said that the Army alarmed peasants by firing rockets that fell in nearby areas, we would have accepted the criticism to improve our activities. I noted that what we did not like in how the report was published was the allegation that the Army had caused a genocide in that town, which never happened.

Definitely, what really matters here is not harming anyone in particular, but that both the media and the Army should act with greater responsibility. If this chapter can make us more responsible, I will gladly respond to the Christian request from the cardinal, and will proceed accordingly. [passage omitted]

Roundup of Economic Developments Through 28 Dec PA2812235293

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored through 28 December. Source is cited in parentheses following each item.

According to a Central Bank of Nicaragua report made known on 25 December, Nicaragua's inflation rate for 1993 will be 25 percent, twice the official estimates. Experts believe that the year could close with a 40 percent inflation rate. (Paris AFP in Spanish 1736 GMT 25 Dec 93)

Panama

Assembly Approves Constitutional Title on Canal PA2912015993 Panama City EL PANAMA AMERICA in Spanish 28 Dec 93 p 1

[Report by Carlos Vargas]

[Text] The Legislative Assembly last night approved in the third and last debate a legislative act adding a new title to the Constitution to create the body that will manage the Panama Canal once it is reverted to the Panamanians by the United States by the end of this century.

By a vote of 38 yeas, six nays, and three abstentions, the Assembly approved in final debate a constitutional reform that proposes a new title within the Constitution to create the Panama Canal Authority as the body that will manage the most important Panamanian asset beginning in the year 2000. This legislative act requires ratification by the next Legislative Assembly, which will be chosen in the 8 May 1994 elections, in order for it to be incorporated into the Constitution.

The new constitutional title states that the Panama Canal Authority will have the exclusive right to manage, operate, preserve, maintain, and modernize the waterway. The document adds that the new body will be led by a directorate made up of 11 members appointed by the president of the Republic which will be subjected to ratification by the Legislative Branch. The Panama Canal Authority will have a triennial financing system and its budget will be handled independently from the general state budget to guarantee the continuous operation of the waterway.

The last debate on this bill was characterized by heated discussions among the legislators of the Democratic Revolutionary Party (PRD) and of the Christian Democratic Party (PDC) bloc that supported the document.

PRD Legislator Gerardo Gonzalez tried unsuccessfully to send the bill back to second debate. He predicted that this reform bill will not be ratified by the Assembly that will be elected in 1994.

Official Legislator Miguel Cardenas pointed out that this is the most important bill approved by the Assembly in four years of sessions.

Olimpo Saez of Molirena [Nationalist Liberal Republican Movement] said that approval of the new title is a triumph of the current political class because it assumed the historic and political responsibility of managing the Panamanians' most important asset.

Jose Hill of the PDC said that the current status of other reverted assets, which have not received maintenance for years, makes it imperious to raise the Canal to constitutional rank.

Roundup of Economic Developments Through 28 Dec
PA2812180493

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 28 December. Source is cited in parentheses following each item.

Carlos Sousa Lennox, executive director of the National Cattle Owners Association (ANAGAN), disclosed that meat exports increased 400 percent in 1993 for a total of \$17 million [as published] compared to \$2.5 million in 1992. Lennox indicated that he is confident that Panamanian cattle exports will continue to increase in 1994 if meat exports to the U.S. market are finally approved. He explained that approval depends upon the completion of a new toxin detection laboratory. Exports of milk and other dairy products totalled \$5 million. (Panama City EL PANAMA AMERICA in Spanish 26 Dec 93 p 2a)

The National Bank of Panama (BNP), which recorded a \$1.2 million deficit in 1990, recently reported \$2.561 billion in assets. According to BNP Manager Luis H. Moreno "this is the most significant asset increase in the

bank's history." In an exclusive interview with ACAN-EFE, Moreno disclosed that the bank currently has 56-percent liquidity, which is quite good, but also "presents problems for the institution" because the BNP has a moral obligation to invest excess funds in community programs. Moreno indicated that during the past four years the BNP has granted loans totalling \$350 million, and of that amount, \$125 million was channeled to the agriculture and forestry sector.

The BNP manager added that during 1993, \$125 million was earmarked for industrial, commercial, residential, and personal mortgage loans. More than half of the bank's loan portfolio during 1993 has been earmarked for the rural sector. Moreno also disclosed that the bank currently has \$479 million deposited overseas and an additional \$646 million deposited in banks operating in the Panamanian financial system. (Panama City ACAN in Spanish 1835 GMT 23 Dec 93)

Jorge Ulloa, general director of the Panamanian Foreign Trade Institute, IPCE, disclosed on 21 December that Panamanian exports have increased by 6 percent from January to September 1993 when compared with the same period during 1992. According to the IPCE director, Panama received 368.5 million [currency not specified] in export revenues as opposed to 357 million in 1992. This rising trend is expected to continue during 1994.

One of the main goods exported includes meat products, which so far have recorded \$11.5 million and are expected to reach \$14 million in revenues by year end. On the other hand, there has been a drop in seafood products exported as a result of restrictions imposed by the European Union (EU). Ulloa pointed out that despite the restrictions, \$64.9 million in exports have been recorded so far. The IPCE director stated that Panama so far has recorded a 656.5 million [currency not specified] trade deficit, but the figure is expected to fall in 1994. (Panama City LA PRENSA 22 Dec 93 p 15a)

Argentina

Santiago del Estero Council Ignores Intervention

PY2812150193 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2040 GMT 27 Dec 93

[Text] Santiago, 27 Dec (NA)—Today the Santiago del Estero Municipal Council ignored its dissolution, as ordered by government trustee Juan Schiaretti on 22 December, and summoned a meeting to discuss the 1994 municipal budget.

Headed by Radical Mayor Pilar Cabeza de Curet, the councilmen analyzed the 1994 budget and explained that they had not acknowledged the fact that their mandates had been terminated because they had received "no official notification."

According to Radical Councilman Guillermo Targoltz, the members of the Municipal Council were not aware of Schiaretti's decision because "it was not even published in the BOLETIN OFICIAL [OFFICIAL GAZETTE]."

Moreover, Julio Alvarez, spokesman for the government trustee, said that the councilmen's decision to summon a meeting themselves was "political mischief," adding that everything decided by the council following the measure implemented by Schiaretti "lacks juridical-legal value" because "all the notifications were delivered."

Alvarez asserted that the measure "was not authoritarian" and justified it by noting that "many councils absorbed 60 percent of the municipal budget." He also added that while some councilmen earned between 2,000 to 6,000 pesos, some health posts were being closed down due to lack of funds.

Moreover, Schiaretti ordered the withdrawal of border police forces involved in the security measures imposed in the province, and denied they may be deployed to other capitals in the northeastern region out of fear of new cases of unrest.

La Rioja Organizations Break Dialogue With Government

PY2812174993 Buenos Aires CLARIN in Spanish 27 Dec 93 p 8

[Article by Julio Aiub Morales]

[Text] La Rioja—The Intersectorial Commission, comprised of the labor unions and organizations that are against a salary adjustment, has rejected the government's answer to the eight-point list of demands it had submitted, thus bringing the dialogue to a halt and once again nourishing the tension that prevails in this province. Another demonstration is expected here today, and there is doubt as to whether or not President Carlos Menem will attend the traditional year-end "gathering."

La Rioja Bishop Fabriciano Sigampa, who is acting as mediator, headed a marathon session on 24 December

between the Intersectorial Commission and the provincial government headed by Bernabe Arnaudo, which accepted six of the eight demands with some modifications.

The first demand, that no state reform draft bill be studied until 1 April 1994, was accepted by the government with "the exception of those organizations in which a consensus is reached with the involved sectors."

The Intersectorial Commission also demanded that the provincial social security system not be placed under the national system, which the government did not accept. On the contrary, it noted the suitability of considering this transfer to be "within the framework of the Federal Fiscal Pact."

Another request the government did not accept was to cancel the dismissal of Teachers Union leader Rogelio De Leonardi and the trial of Miguel Angel Asis, secretary general of the Association of Public Servants' labor union.

The Intersectorial Commission has rejected the government's answer and in a communique states that the provincial authorities "obey orders received from the federal government which, in turn, responds to the interests of the foreign banking sector rather than to the needs of the La Rioja community."

In the document, the labor union leaders add that "the privileges of certain state contractors and the enrichment of certain officials will remain unaffected."

Moreover, Menem's participation in the traditional Tinkunaco ("gathering" in the indigenous Cacan language) is uncertain. This is a traditional festivity held every 31 December at noon, at which Menem has always been one of the special guests.

The Tinkunaco is a popular religious celebration gathering thousands of believers. According to the tradition, during this celebration the white man returns the power to the Indian man who used to inhabit this land. Saint Nicholas' Day is celebrated the day after. Both celebrations are headed by Bishop Sigampa.

Activists in Tucuman From Santiago del Estero

PY2812180093 Buenos Aires CLARIN in Spanish 27 Dec 93 p 9

[Text] Tucuman Governor Ramon "Palito" Ortega emphasized yesterday that he has "solid evidence that groups of people" came to his province to "destabilize" and provoke a social revolt like the one in Santiago del Estero Province which prompted a federal intervention.

In remarks to the "Closeup" program hosted by Channel 10 of San Miguel de Tucuman, Ortega said: "I know where they come from and I know who their contacts are in this province. And, at a given time, I will expose all."

Sources close to Ortega told CLARIN that the governor suspects second-level Tucuman leaders, who are still

loyal to former Tucuman federal trustee Julio Cesar Araoz, are the local contacts of those activists.

Speaking on television "Palito" added that, according to the information available to him, some of these activists reportedly participated in the demonstrations in La Rioja Province and Santiago del Estero Province.

Last week, President Carlos Menem described the social revolt in Santiago del Estero Province as "sedition" and stated "there is evidence" of the existence of activists who previously operated in La Rioja, the province where Menem was born, where the social situation is critical.

The next day, President Menem compared the "sedition" in Santiago del Estero Province with "the subversion" of the 1970's. Brigadier Andres Antonietti, the brand-new Santiago del Estero security secretary said, however, that "he has no evidence" on the existence of professional agitators, although he made it clear that "we are investigating."

In its "Political Panorama" column of 26 December, CLARIN disclosed that Menem received secret reports compiled by the SIDE [Secretariat for State Intelligence] indicating that four people, who a few days before had participated in the protest marches in La Rioja Province, had been identified from film shot during the Santiago del Estero revolt.

The most interesting point is that at least two of these people are reportedly linked to the political structures loyal to "Chiche" Araoz, a former health and social action minister and former Tucuman federal trustee.

In principle, Araoz was mentioned as a possible candidate to become the Santiago del Estero federal trustee, a post that was finally occupied by Deputy Juan Schiaretti, the right-hand man of Economy Minister Domingo Cavallo.

The SIDE reports state that following the disturbances in Santiago del Estero Province, two of the four activists identified in the film were allegedly told to go to the neighboring Tucuman Province to take advantage of the difficult socio-economic situation prevailing there.

The sources said that Ortega "already knew" of the SIDE reports and emphasized that Araoz "left a significant political structure" in Tucuman Province following his term as federal trustee. Ortega's political situation has been further complicated by Police Superintendent Mario "Malefactor" Ferreyra's incredible escape that prompted a legislative petition to interpellate Minister of Government Jose Falu, the governor's right-hand man.

Interior, Economy Ministers on Provincial Crises
PY2812140593 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1827 GMT 27 Dec 93

[Text] Buenos Aires, 27 Dec (NA)—Economy Minister Domingo Cavallo today said that after the experience of the crisis in Santiago del Estero, the people "will very

carefully elect the person who will govern the province," adding that in the provinces with fewer resources there should be "a sense of equality, justice, and austerity."

For his part, Interior Minister Carlos Ruckauf has emphasized that "to the extent that provincial governments are able to reform the state the way the nation did it, there will be no more social conflicts in the provinces."

Cavallo said that governors all over the country should "preach through example, work honestly, and promote equality to help those who have less." Cavallo added: "In the provinces that have few economic resources because they have been ignored for a long time, it is important that those who govern develop a strong sense of equality, justice, and austerity. Otherwise, who will be entitled to ask the people to make sacrifices, if the leaders do not make them?"

The economy minister once again justified the designation of his representative Juan Schiaretti as government trustee in Santiago del Estero, saying that "it is remarkable that the people who had dramatically expressed their distress—after realizing that the government trustee was doing something to enable the poorest sectors to collect their salaries—immediately began to support" the provisional government.

"I believe the people of Santiago will make it with the help of the people and of the League of Housewives," Cavallo said during the ATC [Argentina Televisora Color] program "33 Million Consumers," when the institution led by Lita de Lazzari awarded him a cup and a diploma.

Also in statements to ATC, Interior Minister Carlos Ruckauf said that "to the extent that provincial governments are able to reform the state the way the nation did it, there will be no more social conflicts in the provinces." He said that the money the central government will provide to the provinces with treasury problems "should not be used for payments for 'those in the upper bracket,' but for those who need money in order to eat."

The minister reiterated that there were activists in the massive protest in Santiago del Estero, because "even if filled with indignation, it is very difficult for people to enter a house, unless there is someone leading them."

Ruckauf blamed the crisis on "the serious mismanagement of funds by provincial leaders." He added that "the situation has worsened over the past 18 months because there is a sort of preference for political jobs instead of productive jobs." In this regard, Ruckauf said that "we have to make a transformation, because we cannot have a country that maintains the people who do not want to work. All of us have to pay for this type of corrupt mechanism, the opportunist, the person who has a political job," he emphasized.

In this regard, Ruckauf complained because "between January and October the payroll grew by \$16 million, while the yearly inflation rate stood at 7.5 percent. This

decision was made by the provincial government, because whenever it had a problem with a sector it increased salaries, which were not paid, thus creating two conflicts: a cash imbalance and social dissatisfaction," the minister concluded.

Corvette in Haitian Blockade To Return Soon

PY2912110393 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1949 GMT 28 Dec 93

[Text] Buenos Aires, 28 Dec (NA)—Defense Minister Oscar Camilion today asserted that the mission currently being undertaken by the Argentine corvette "Granville," which is participating in the naval blockade of Haiti, should conclude "as soon as possible," due to the high cost that the presence of that vessel in those waters entails for the country.

The minister, speaking on the radio, explained that "this vessel cannot be maintained there indefinitely. It ought to be replaced by another one, but this would be too costly. We have already told the Foreign Ministry and the UN representation that a reasonable deadline for the presence of the corvette in Haitian waters should be established."

During a news conference given to journalists accredited at the Defense Ministry, Camilion stated that the Argentine corvette will not be able to stay in Haitian waters for more than six months. He asserted that even though Argentina had shown its "political support" for the UN Security Council by sending this corvette to Haiti, the operation cannot "be prolonged" any longer.

Moreover, Camilion denied having asked the Economy Ministry for an additional \$10 million for defraying the cost of maintaining the Argentine contingent in the UN peacekeeping force. He explained that peacekeeping operations "are funded with the Foreign Ministry's budget."

To this effect, he pointed out that the money to defray the expenses of peacekeeping missions "is part of the Foreign Ministry's expenses," although he acknowledged that "the Economy Ministry establishes a ceiling for any type of spending, and peacekeeping operations will have to respect this ceiling."

"Peacekeeping missions are extremely important. For us they are fundamental not only because of the prestige they give us, but also because they are extraordinarily useful for maintaining the quality of the Armed Forces. Nonetheless, we should only spend what we can, and not what we cannot," added the minister.

Commenting on peacekeeping missions in general, Camilion asserted that although there are "risks" involved with "a cost in lives," they "are operations that contribute to the training of our personnel, and have great horizons." He moreover stated that the military personnel commissioned for these missions "are preventing

tomorrow's wars," adding that these operations place our country "in the vanguard of Latin America."

Commenting on another issue, Camilion reiterated that Army officers on active duty will receive an increase in fixed allowances, such as housing allowances or those given because of being stationed in geographical areas far from their homes. He nonetheless made it clear that this increase in allowances would not entail a "percentage" hike in Army personnel's wages. He pointed out that it will be collected as of January, and that "it will be collected in some cases and in others it will not."

He labelled the action of a former Army major, who during the early hours of Christmas Day shot three youngsters point blank on a corner in the northern neighborhood of Buenos Aires, resulting in wounds of various degrees of gravity in two of them, as "sheer irresponsibility."

Camilion further pointed out that one of the objectives of the National Arms Registry (Renar) is "to prevent the use and possession" and "discourage the irresponsible possession" of firearms.

Salary Hike for Military Employees Confirmed

PY2812183893 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0117 GMT 28 Dec 93

[Text] Buenos Aires, 27 Dec (NA)—Economy Minister Domingo Cavallo confirmed tonight that the government is increasing the salaries of Armed Forces civilian personnel and improving the incomes of active duty officers and noncommissioned officers through nonremunerative supplemental benefits.

Cavallo confirmed the benefits—without revealing percentages or amounts—during a news conference to announce the signing of the decree promulgating the 1994 national budget.

The minister justified the increase to Armed Forces civilian personnel, recalling that they "have had no salary increase since March 1991." The minister said: "We also contemplated some nonremunerative supplemental benefits for officers and noncommissioned officers," adding that these benefits "do not apply to retired personnel." Cavallo emphasized: "These benefits are different from previous ones because they exclude those who are no longer in the service."

Minister Asks Labor Confederation for 'Truce'

PY2812171893 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0152 GMT 28 Dec 93

[Text] Buenos Aires, 27 Dec (NA)—Labor Minister Armando Caro Figueroa tonight asked the "CGT [General Confederation of Labor] for a truce," in what represented a virtual attempt by the government to prevent the labor union from adopting a measure of force. This information was disclosed this evening by CGT Secretary General Oscar Lescano.

Lescano said that the minister had requested a truce "to inform the national cabinet about the CGT's demands" and said that the approval of the request was subject to the decision reached by the CGT Central Committee during its meeting on 29 December.

Lescano participated in the first meeting the CGT held this evening with the newly appointed labor minister, together with Ramon Baldassini (FOECYT) [Federation of Postal and Telecommunications Workers], Carlos Gdansk (UOM) [Metalworkers Union], Jose Pedraza (Railway Workers Union), and Armando Cavalieri (Commerce).

During a news conference, Lescano said the CGT has asked the minister for "the government's commitment in writing" ratifying the presidential promise that the adjustment in the provinces will be carried out without any dismissals and that the reduction in contributions for social projects would be compensated for.

"We need a document. An oral promise is not enough and the president should not have to give his word of honor because we believe there are ways for the government to guarantee its promises in writing."

Lescano said that acceptance of the minister's request for a truce is subject to the decision to be reached tomorrow by the executive board and by the CGT Central Committee on 29 December. He also stressed that "by no means is the possibility of a measure of force ruled out," reiterating that this, too, must be decided by the CGT Central Committee.

Lescano said that during the meeting the CGT informed Caro Figueroa that it is against the decree reducing contributions to the social security system "because it benefits the business sector exclusively, and places medical service for the workers at stake." He added that the CGT had voiced its concern over the possible dismissals in the reorganization processes in the provinces.

The labor union leader said that the minister "asked the CGT for a truce in order to be able to inform the national cabinet about their demands as soon as possible and to try to find a prompt solution to them." Lescano added that the CGT had warned Caro Figueroa "that the entire burden cannot be placed on the workers' shoulders, that it should be shared by all Argentine sectors." He said the minister agreed to "reach a consensus" over the labor reform, and that he promised the CGT that a more flexible position "should also be matched by the business sector's duty to create job opportunities."

New Federal Budget Includes Job Reductions

PY2812231793 Buenos Aires *BUENOS AIRES HERALD* in English 28 Dec 93 pp 1, 16

[Text] (NA-DYN)—The government passed the 1994 budget into law yesterday [27 December], contemplating expenditure of some 40 billion pesos for the year, although it vetoed some of the items included by Congress.

During a press conference last night, Economy Minister Domingo Cavallo said that the items vetoed were the restriction of the reduction of payroll taxes to only obras sociales (the trade union-managed medical plans) and the allotment of 120 million pesos to universities.

As well as this, 9,643 public employees will be losing their jobs during 1994, the hardest-hit sector being the Education Ministry which will be losing 68 percent of its current staff.

Next in line for the axe are the Defence Ministry, with 2,445 employees set to leave during 1994, with 2,414 having to leave the Labour Ministry.

Presidential staff will also be feeling the effect of the budget as 1,096 of them will lose their jobs while at the Economy Ministry 770 staff will have to pack their bags.

On the other hand, the Health Ministry needs to take on 1,896 employees, the courts 2,104 and the Foreign Ministry 57.

Foreign Ministry Official on GATT Effects

PY2912001393 Buenos Aires *CLARIN* in Spanish 27 Dec 93 pp 16, 17

[Interview with Hector Gambarotta, the Foreign Ministry's international economic relations secretary, by unidentified reporter; place and date not given]

[Text] Hector Gambarotta is the Foreign Ministry's international economic relations secretary but he is also an economist. From that perspective he believes that "Argentina plays out its social destiny by developing greater competitiveness." As a government official he said: "In the Foreign Ministry, we believe that now that the Uruguay Round is over, the better social spending is investment. The development of greater investment in Argentina and the development of new production projects are the ones that will provide the security net."

[CLARIN] In addition to the advantages obtained in agriculture, what other advantages does Argentina get with the conclusion of the Uruguay Round of GATT?

[Gambarotta] There are three results from the conclusion of the Uruguay Round. First, the benefits obtained by Argentina in private negotiations with each country and product by product; access to the markets of Japan, the EC, and the United States for agroindustry was enlarged. Second, a country with an open and orderly economy like Argentina can get more advantages with more predictable rules of the game in the world. And third, from now on there will be general rules of behavior in the world that will allow Argentina to face controversies knowing that it will obtain consistent answers.

[CLARIN] When will the results be seen?

[Gambarotta] The first one will have results in quantitative terms. The other two will show their results with time. They will not have an immediate impact because

the agreement will be in operation in the first half of 1995. We also should think about what would have happened if the Uruguay Round of GATT did not conclude. The status quo and inertia would have worsened the commercial wars, and Argentina, with an open economy, would have suffered.

[CLARIN] GATT came to a good conclusion, but there is an issue still pending. Why is the Mercosur [Common Market of the South] process at a standstill?

[Gambarotta] It started with a very ambitious and strict timetable. There are two roads for integration: to be very demanding on the timetable or very meticulous in the wording of the agreement. The Asuncion Treaty is very simple in words and very demanding in the timetable. This is why an effort was made to integrate countries with a weak mutual trade and reduced economic links. Now the four countries are convinced of their links. Trade reached \$8 billion in 1993. But the essence of the demands are beginning to appear. No treaty is fulfilled 100 percent or the timetables fully met. The timetables should be taken seriously, but no cult should be made of it. Despite this, we are keeping the key dates such as the fall of the list of exceptions and the implementation of the customs union as of 1 January 1995.

[CLARIN] There is only one year left. What will happen if the differences are not corrected in that time?

[Gambarotta] The four partners believe that sooner or later their macroeconomic policies will converge. Brazil is one year away from elections, but we have very little doubt that whatever party governs that country in 1995 will have its economic guidelines close to its partners.

[CLARIN] But is there enough time to negotiate the convergence of the economies?

[Gambarotta] Mercosur is here to stay. Therefore, we believe that everything can be negotiated because there is a framework to do it. There are important differences but they will be resolved. One example is the cross-trade between Argentina and Brazil that has been stable for one year. There have been many criticisms of integration from industrial sectors that want Argentina to have some industrial room defined within its own borders. But the government warns that there are industries with problems in the entire world: petrochemical, metallurgy, textiles, and paper. The government insists that those industries must begin to grow on a regional scale. By 1994 we believe that Argentine and Brazilian industrialists should make a rapprochement and together define the regional industrial profile.

[CLARIN] How large is the Argentine commercial deficit?

[Gambarotta] It is about \$3.5 billion, but it should be measured fairly. Argentina is using its purchasing power abroad more to equip itself than to consume. Therefore, the deficit this year is larger than in 1992 but it is less conflictive: The import of capital goods grew 15 percent and consumption goods 5 percent. We believe it is wise

to take advantage of the good international financial conditions to equip ourselves.

[CLARIN] In the past the trade deficit was with Brazil. Now it is with the United States. Why that change?

[Gambarotta] The United States implemented protectionist measures recently, affecting traditional Argentine exports. But, on the other hand, the sale of manufactured industrial products to that country increased. Despite this, we are preparing a program of export promotion to the U.S. market: It is based on the greater access to that market for our agroindustrial products, which is something we achieved with GATT and with specific promotion policies. We are not expecting spectacular results in the short term but the deficit in 1994 will be less.

[CLARIN] Is there any estimate how much exports will grow next year?

[Gambarotta] It will surpass the figures of the three-year program called "Argentina in Growth." We believe it is possible to reach \$15 billion in 1994. The contribution toward this goal is made by the conclusion of the Uruguay Round, the increase in sales to Brazil, and the overall improvement in competitiveness.

Bank Report Predicts 5 Percent Drop in Harvest

PY2812231593 Buenos Aires BUENOS AIRES
HERALD in English 28 Dec 93 p 5

[Text]—Farm exports face a gloomy future according to a report published by Banco Rio. According to the bank, the freak weather conditions this year in the north and west of Buenos Aires and in the south of the province of Santa Fe have caused delays in sowing and other work due to flooding, while in the south of Buenos Aires the area was subjected to a prolonged drought.

The area sown with the main cereals and oilseeds will cover 18.8 million hectares during the 1993/94 campaign, one percent less than in the previous season.

Considering how crops are currently evolving, next year's harvest will be down by an average of five percent. The wheat, maize and sorghum harvest will probably drop by two percent, 14 and 18 percent respectively while the changes in the oilseed harvest is varied.

While the sunflower harvest is expected to drop by seven percent, the linseed crop will be down by 25 percent although it is expected that the soya crop will be up by seven percent and the peanut harvest up by five.

The report goes on to forecast that the surplus of cereals, oilseeds, oils and fatty-flours available for export will be worth between 4.6 and 4.8 billion dollars some five percent more than the previous harvest.

Bolivia

Argentine Foreign Minister Di Tella Arrives

PY2512133893 La Paz Television Nacional Network in Spanish 0100 GMT 22 Dec 93

[Text] Argentine Foreign Minister Guido Di Tella not only came to Bolivia to talk about the energy issue between his country and our country. There are also many other issues for discussion. Guido Di Tella arrived in Bolivia for the fifth time. He confirmed that his visit ratifies our country's image abroad and that the economic boom is real:

[Begin Di Tella recording, in progress] ... where things of an extraordinary depth have occurred. It was not possible to imagine 15 years ago that this was going to happen. [end recording]

From the standpoint of Argentina's political strategy, Bolivia is, by virtue of being a neighboring country, a top priority for that country's foreign relations.

[Begin Di Tella recording] The energy sector is most important, both regarding the projects implemented in the past—in which the companies involved will change status—in the area of gas supply, as well as the projects undertaken by both Bolivia and Argentina to supply gas to Brazil, which is an extremely important market. [end recording]

Other projects that will also be discussed pertain to communications between both countries, educational reform, and the Bolivian Government's plan to turn state-owned enterprises into mixed corporations under government control.

[Begin Di Tella recording] We deem that the plan to turn state-owned enterprises into mixed corporations under government control is most interesting. There are some Argentine companies that are already interested in this plan and you can rest assured that they will be actively interested. This is going to be another important factor contributing to the country's transformation. [end recording]

Di Tella met the president of the Republic in Government House this afternoon. A bilateral agreement is to be signed at the Foreign Ministry tomorrow.

Senate Approves List of Armed Forces Promotions

PY2812121093 Santa Cruz EL MUNDO in Spanish 17 Dec 93 p 5

[Text] La Paz, 16 Dec (JATHA)—Tonight, the Senate approved the list of promotions of the Armed Forces in a closed-door session lasting four hours.

JATHA learned that five officers from different military forces had not fulfilled the necessary requirements, but were not rejected. The folders were returned to the Defense Ministry to have the forms completed.

This is the list of promotions in the Armed Forces: Division General Moises Shiriqui Bejarano, Armed Forces chief of staff, to general of force; Div. Gen. Reynaldo Caceres Quiroga, Army commander, to general of force.

In the Air Force, Div. Gen. Jose F. Perez Reyes Ortiz, Air Force commander, to general of force.

In the Navy, Vice Admiral Julio Molina Padilla, commander of the Navy, to admiral.

The following brigadier generals have been promoted to division generals: Adel Montero Cortes, Eduardo Galindo Grandchant, Jorge Sejas Quintanilla, Juan Carlos Monje Landivar, Augusto Arevalo Dorado, and Guido Tavera Leyton.

In the Air Force, the following brigadier generals were promoted to division generals: Oscar Sanchez Reguerin and Adhemar Zambrana Lobo.

In the Navy, the following rear admirals were promoted to vice admirals: Remberto Barrios Rios, Freddy Menacho Rivero, and Mario Claure Blanco.

The following officers were promoted from colonel to brigadier general: Hernan Aguilera Bianchi, Freddy Balderrama Casanovas, Armando Balcazar Botelho, Gerardo Castro Echeverria, Henry Rodriguez Rodriguez, Carlos Jimenez Muriel, Ismael Morales Bustamante, Juan Verduguez Hervaz, and Marcelo Soruco Azurduy.

In the Navy the following officers were promoted to ship-of-the-line captain: Julio Jimenez Valdivia, Luis Daza Montero, Mario Reyes Ortiz Mella, and Alfredo Trigo Justiniano.

Military Chaplain Mario Lenzana Vaca was promoted to colonel.

Brazil

Cardoso Links Tax Increase to Control of Inflation

PY2912010193 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 28 Dec 93

[Report by Patricia Gomes from Brasilia]

[Text] Finance Minister Fernando Henrique Cardoso has said that the government wants to end inflation before increasing taxes. The minister said the government will study ways to increase revenues in 1994. The economic team is already studying proposals to create a new 35 percent income tax rate for those earning between \$8,000 and \$15,000 and the payment of a lesser rate of 5 percent for those taxpayers who are on the 15 percent level. [sentence as heard] The minister said that before any decision is made to increase taxes, the government wants to end the greatest tax of all, which is inflation.

[Begin Cardoso recording] I do not want to increase any taxes. I want to end inflation which is the greatest tax of all. I want to cut expenditures. Any increase in taxes will be too little. I do not know how it will be done yet. I have to talk about it with the revenues office. Surely the most important step for me is not to increase taxes; the most important thing is to cut expenditures and to end inflation. [end recording]

Saying that it is just and necessary, the finance minister said the government will increase taxes on those who earn more. He added that the real market value unit will be launched when a balance in public accounts is achieved.

Draft Law on Missions Abroad Submitted to Congress

PY2812231393 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 28 Dec 93

[Text] Planalto Palace today submitted to Congress a draft law regulating Brazil's participation in observation and peace missions throughout the world. According to this draft law, the deployment of military officers abroad is subject to prior congressional approval after being submitted to the president of the Republic.

Brazil currently has 114 people participating in peace operations sponsored by the United Nations in Angola, Mozambique, El Salvador, Yugoslavia, Uganda, and Liberia.

Constitutional Amendments Discussed

PY2812230593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Dec 93 Economy and Business Section p 1

[Text]

New Model

The following are the most salient proposals for constitutional amendments submitted by the economic team.

1. Municipalities will be in charge of implementing and monitoring actions in the fields of housing, sanitation, urban transportation, social security, and complementary social welfare. The federal government will only provide technical and financial support.

2. The end of the state monopoly on the supply of telecommunications services. The federal government's monopolies will be broken to enable hiring other companies for the supply of services through risk ventures, other franchise contracts, or profit-sharing schemes. Private companies will be able to supply natural gas to municipalities. Activities related to mining and the utilization of hydroelectric potential are to be privatized. The federal government will be allowed to get a share of the profits resulting from the tapping of ore beds.

3. Preventive action against natural disasters, which is now solely the federal government's responsibility, is to be delegated to state and municipal governments. Likewise, preschool and elementary school learning, as well as health care, are to be delegated to municipal governments.

4. The federal government will be vested with exclusive power of legislating for social welfare. The Constitution only dealt with "social security."

5. Information confidentiality will be lifted and the Federal Revenue Service is to have access to reports on assets, returns, economic activities, and financial movements. The federal government will be allowed to sign agreements with states and municipalities on the exchange of information on taxpayers. Federal Revenue Service agents will face civil and criminal charges if they reveal confidential information about taxpayers.

6. It will no longer be possible to accumulate pensions. The amendment, at the same time however, establishes parameters to encourage civil servants to remain in their posts and to establish minimum wages.

7. Civil Service careers are to be further controlled while the appropriate legislation will be passed for salary equalization.

8. Grounds for the dismissal of civil servants who have been appointed permanently are to be defined—through a judge's decision or elimination of the post, for example.

9. The Executive Branch will be vested with the power of establishing judges' positions specializing in tax matters. The current Constitution does not contemplate the establishing of these judges' positions, which will speed up the collection of tax credits.

10. The possibility of seeking injunctions against a law or government measure will be further controlled. This measure, which is not provided for in the current Constitution, will be instrumental in eliminating the risks of suspending the effects of the government's decisions.

11. The public Treasury will be able to file for bankruptcy, something not stipulated in the current Constitution.

12. The interest rate to be charged for the payment of overdue taxes will be comparable to the one charged by the market for the rescheduling of the government's domestically contracted debt. This possibility does not exist now and, therefore, it is easier to fall into arrears in the payment of taxes in order to use that money for other purposes.

13. It will be possible for the government to create several compulsory taxes and loans for urgent programs of significant national interest. The way of solving the problem of free higher learning, for example, would be to levy a tax on those attending universities. Moreover, only the federal government will be vested with the

power of levying taxes on input, such as electricity, fuels and lubricants, minerals, and transportation and communications services.

14. It will be possible to deduct IPMF [provisional tax on financial operations] payments from income tax returns, which will turn the IPMF into the lowest income tax. The 20 percent from the collection of the IPMF will no longer be tied up for the financing of housing programs.

15. The federal government will be vested with the power of establishing new taxes in cases of economic disaster and increasing the tax brackets on all taxes and contributions it levies for a period of two years. This tax increase will not be linked to any appropriations system, not even for states and municipalities, but rather will be earmarked for the establishment of a Social Emergency Fund for a period of two years.

16. Exporting states will no longer have the right to collect the IPI [tax on manufactured products] refund tax. Presently, 10 percent of all exports is appropriated to states.

17. The government is to change the criteria for drafting the Budget Guidelines Law to ensure the execution of the budget by law.

18. The Central Bank is to become independent. The 12-percent restriction on real interest rates is to be eliminated.

19. Employers are to pay social security contributions on wages, turnover, and profits. As for workers, payments will be made on the basis of the wages they collect. This modification eliminates, for example, what happens now with financial establishments, which do not pay contributions on their returns.

20. It will be possible to pay social security contributions on the basis of taxpayers' economic activity—something that does not exist in the current Constitution.

21. Workers' participation in the National Privatization Program is to be defined by law. Such participation would be possible thanks to the use of financial resources from social security funds such as the PIS [Social Integration Program] or the Program for the Establishment of Civil Servants' Property Assets.

22. Tax incentives will be suspended for two years except for new projects or larger investments.

23. Debts of any type to the federal, state, municipal governments or the federal district may be swapped with public debt securities. These securities may be used in the privatization program.

*** Intensification of Relations With PRC Viewed**
94SM0117C Rio de Janeiro O GLOBO in Portuguese
25 Nov 93 p 27

[Commentary by Carlos Tavares de Oliveira: "Strength of Brazil-China Bloc"]

[Text] The visit by president Jiang Zemin is now intensifying relations at the highest level between the two largest nations in Asia and Latin America. Brazil has also been visited this year [1993] by Minister of Foreign Affairs Qian Qichen and Deputy Prime Minister Zhu Rongji, the new head of the PRC's economic policy. In return, and in addition to the trip to Beijing by the ministers of communications and science and technology, China is the country that has welcomed the most Brazilian trade missions this year. As a result, bilateral trade is expected to nearly double in comparison with the \$600 million recorded in 1992.

The so-called Asian Pacific is the fastest growing economic region on the planet and is already considered the principal market in this final decade of the 20th century. In 1992, transactions between the United States (the leader in international trade) and Asia were 50 percent greater than U.S. trade with the Atlantic countries, including Europe. Standing out against that background is China, which, following the historic opening-up decreed by Deng Xiaoping in 1979, has been accumulating an impressive number of records in many activities. Over the past 13 years, the PRC has experienced the best average rates of economic growth (10 percent) and export growth (12 percent). It has also taken first place in the matter of welcoming foreign investment (\$150 billion). It is the chief producer of cereals (442 million metric tons in 1992) and ranks fifth in petroleum production and fourth in steel production and electricity generation. China has made outstanding progress in the technological area, having become a nuclear power and the possessor of a sizable aerospace industry, especially as regards the launching of commercial satellites.

The closer relations (political, commercial, and cultural) between our two countries—one experiencing accelerated economic growth and the other beginning to find its destiny—will be of the greatest advantage to both, but particularly Brazil. Especially in the economic area, there is a lot to learn from Chinese know-how, notably as regards the intelligent way in which foreign capital and exports are dealt with. Without foreign investment, there would obviously be no "Chinese miracle" despite the country's vast potential and its people's recognized tenacity. The existence of immeasurable deposits of petroleum or other minerals under the ground (or sea) is of no use if the resources for extracting them are lacking.

The pragmatic Chinese have taught the world—and particularly Brazil—a lesson in how to take advantage of foreign capital without meddling with state monopolies or the Constitution. According to Deng's irrefutable logic, a nation's sovereignty is defined by its economic independence. Cutting off research, keeping existing

reserves untapped for lack of funds, and spending precious foreign exchange to import petroleum are a deplorable mistake leading to dependence on others. A growing encouragement of exports is the other basic point in Chinese economic policy that deserves to be adopted by Brazil. In the special economic zones—Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan—which are geared to the foreign market, there is no tax burden, nor is there any lack of government financing to stimulate production. In 1980, Brazilian exports totaled \$20 billion, and Chinese exports were only \$18 billion. Thanks to the opening-up, the PRC's exports are going to exceed \$90 billion during this fiscal year, while Brazil's exports will barely reach \$40 billion.

For its part, the PRC will also benefit considerably from closer relations with Brazil, which may come to be its largest supplier of iron ore and turn out to be a base for reexports of Chinese products to other South American countries. The joint operation of commercial satellites for business, sales, and utilization with third countries on this continent under better terms than those offered by U.S. and European competitors is not out of the question.

In fact, the best aspect of this auspicious union between Brazil and China extends beyond their respective territorial limits to the broad concert of nations. By the end of the century, Greater China (including Hong Kong and Taiwan) will have 1.3 billion inhabitants, and according to a new estimate by the World Bank/IMF, its gross domestic product will approach that of the United States. And Brazil, because of its size, population, and production—it is already experiencing a recovery—is still by far the principal Latin American country. There is no doubt that the broad accord in prospect between the two giants will strengthen them both in future international confrontations. At the same time, and as an immediate result, there is appearing the embryo of the genuine and natural leadership that the more than 100 developing nations have been lacking in order to hold their own in political and economic clashes with the powerful and exclusive Group of Seven, consisting of the United States, Germany, Japan, France, Great Britain, Italy, and Canada.

Chile

Etchegaray Declines Offer To Head Education Ministry

PY2812121193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 28 Dec 93

[Excerpts] Alberto Etchegaray, current housing and urban affairs minister, has decided not to accept the education portfolio in Eduardo Frei's administration.

[Begin Etchegaray recording] Thank you for what you have said and my best wishes in your new job as head of the Labor Ministry. I am thoroughly convinced that you

will do an excellent job, as you did heading the Education Ministry. [end recording]

This dialogue with [current Education Minister] Jorge Arrate could have been about the transfer of power at the Education Ministry. Etchegaray, however, went to see the president-elect early in the morning to inform him of his decision to decline the offer of the education portfolio in his new administration.

[Begin Etchegaray recording] It is most gratifying for a civil engineer, an independent who is not affiliated with any political party and who has no experience in politics, to have been considered by President Frei for membership in his future cabinet. I have no reservations about accepting that post except for those stemming from my personal and family situation. There are times when a man has to turn his eyes and his attention to the very core of his existence, to his family, his wife, and children, and especially when he needs to have the courage to say no. [end recording] [passage omitted]

After meeting with Frei the new foreign minister, Carlos Figueroa, commented on the new guidelines the Foreign Ministry will follow in the forthcoming administration.

[Begin recording] [Figueroa] All diplomats at the Foreign Ministry will have to discharge two tasks: the political task and that of economics and trade. I cannot say that one is more important than the other because without good political relations, without efficient political and diplomatic endeavors, one can achieve very little in the commercial area.

[Unidentified reporter] Will this be reflected in a closer relationship between the Finance and Foreign Ministries?

[Figueroa] That is correct. I believe we will work in close cooperation with each other. In any case, I believe this is what the foreign minister has been doing of late, working with the Finance and Economy Ministries. We are especially interested in the private sector. We want to have a very harmonious relation with the private sector concerning commercial matters. [end recording] [passage omitted]

Isabel Allende Temporarily Fills PS Presidential Post

PY2812152593 Santiago Radio Cooperativa Network in Spanish 1000 GMT 28 Dec 93

[Text] During a ceremony attended by the Socialist Party [PS] ministers-designate, congressmen, leaders, and the widow of [former Chilean President] Salvador Allende, Interior Minister-designate German Correa surrendered the PS presidency. This post will be temporarily filled by Isabel Allende, Salvador Allende's daughter and the PS vice president.

During the ceremony Correa said he had mixed feelings about leaving the PS leadership, although he admitted how significant it is for the Socialists to occupy the post of interior minister after more than 20 years.

[Begin Correa recording, in progress] ...a post that represents an honor for the PS, a post that closes a gap, that closes a period in our history. A post that for the first time will again be occupied by a Socialist after 20 years, and which therefore has an extremely important symbolic and political character. [end recording]

The interior minister-designate also admitted that the post he will occupy will not be an easy one.

[Begin Correa recording] It will be difficult, no doubt, because the past is still remembered today. I will attempt, however, to do what is possible within the framework of strict respect for human rights, the dignity of the people, and especially a broader view of this political function as cabinet chief. I will attempt to do something different, something more in line with current times. I will attempt to open up this ministry to regional and provincial development and to the people, so as to contribute to this new phase of development of our democracy, in which we have so much to do. [end recording]

Moving on, Correa thanked his party for their support and emphasized the traits of Deputy-elect Isabel Allende, who is taking over the PS presidency.

For her part, Isabel Allende praised Correa's performance as PS president, noted that there still are steps to be taken, and called for PS unity.

[Begin Allende recording] I am also aware of the fact that we still have weaknesses. It is necessary to reinforce our organization, our presence, in every region. We have open challenges. We want to call on this party to close ranks in these new times, new challenges, and new responsibilities. [end recording]

Isabel Allende also praised the participation by women in the president-elect's cabinet as a sign of the new times.

Hortensia Bussi de Allende, the late President Salvador Allende's widow, paid tribute to former Interior Minister Jose Toha, and supported the call to unity.

[Begin Bussi de Allende recording, in progress] ...and, although it is hard for me to say it, when Salvador Allende named Jose Toha as his successor—the way he wanted. I therefore want to pay a great tribute to this Socialist, who gave his life.

Now I also want to call on all Socialists and allied parties, especially the PPD [Party for Democracy] and the PDI [Leftist Democratic Participation Party], to cooperate, to close ranks, and to overcome disagreements for the success of my daughter Isabel's difficult, although temporary, mission as acting party president. Afterwards, it will be seen whether or not she remains in this post. [end recording]

Later, Hortensia Bussi de Allende displayed a presidential sash, which she claimed had been received anonymously, and had reportedly belonged to Salvador Allende Gossens, the late president of the Republic.

Afterwards, Allende's widow asked publicly for the restoration of the goods seized from the two houses of the former president.

The PS presidential transfer ceremony ended with the PS anthem, which was sung by the participants with their fists raised. Isabel Allende will occupy the post of PS president until January, when the PS plenum will elect the successors to ministers-designate German Correa and Luis Maira by a two-thirds vote.

Colombia

U.S. Soldiers Arrive To Perform Social Projects

PA2812194393 Mexico City NOTIMEX in Spanish
1733 GMT 28 Dec 93

[Text] Santa Fe de Bogota, 28 Dec (NOTIMEX)—Seventy U.S. soldiers, who will participate in alleged social projects, arrived in Colombia today despite opposition from Congress. Carlos Olguin Sardi, Valle del Cauca Department governor, has confirmed that the group, which is part of a 150-man force, has begun to set up camp on the Pacific coast of this department, the capital of which is Cali.

The soldiers arrived amid silence from the Defense Ministry and the U.S. Embassy in Santa Fe de Bogota, whose spokesmen, when asked about the matter, said they had no information. Last week, U.S. Ambassador Morris Busby and the local military command each released a communique reporting that the group would cooperate in the construction of a schoolhouse, a rural road, and a health center.

The announcement elicited a strong reaction from the deputies because the Constitution bans the entry of foreign military troops without approval by Congress. The government, however, justified the troops' arrival by citing a Mutual Defense Assistance Agreement signed in April 1952. "The Colombian Congress has never approved such an agreement, nor has the government presented it for our approval," a congressional source told NOTIMEX. In addition, the opposition newspaper LA PRENSA today criticized the soldiers' arrival and said they will be directly controlled by the Southern Command in Panama.

Conflicting reports about the group's mission have been circulating in Santa Fe de Bogota for the past few days. While the U.S. Embassy and the Defense Ministry reported that the troops will carry out "civilian projects" exclusively, Pentagon spokesman Major Arnie Owens said the Marines will train Colombian soldiers. Meanwhile, political analysts wonder about the government requesting the intervention of foreign military troops to build schoolhouses or roads in the precise area where the powerful Cali Cartel operates. The Valle del Cauca mafia's lawyers last week initiated talks with the government for the mass surrender of cartel members, according to Prosecutor General Gustavo de Greiff.

According to experts, the presence of U.S. soldiers could throw a monkey wrench into the surrender of the Cali cartel members, which the DEA says is responsible for shipping 70 percent of the total amount of cocaine that enters the United States. Governor Holguin Sardi says the second group of U.S. soldiers is scheduled to arrive early in January.

Controversy Continues

PA2812201393 *Santa Fe de Bogota Inrvasion*
Television Cadena 1 in Spanish 1730 GMT 28 Dec 93

[From "Noticiero Nacional" newscast]

[Text] The U.S. troops, who, according to the authorities, are coming to carry out civilian projects, are scheduled to arrive at the Malaga Bay Naval Base in a few minutes despite all the controversies. Now, there are some who think there could be something else behind this and that national sovereignty could be at stake.

The discussion surrounding the arrival of the U.S. troops started from the day the announcement was made. It all began on 14 December, when the U.S. Embassy in Colombia said that, at the government's request, 150 soldiers-engineers from the U.S. Southern Command would arrive to carry out public projects near Cali.

The news spread like wildfire, and the objections appeared like wildfire. Legislators Gustavo Rodriguez Vargas and Fabio Valencia Cossio asked President Gaviria to explain why the government sidestepped Congress, the only institution that can authorize the presence of foreign troops in national territory. According to the Defense Ministry, this is all part of an agreement of understanding signed on 29 October between both governments so soldiers-engineers can carry out public projects in the Guanchaco region. Even the Americans said it was not a covert operation. Nevertheless, criticism continues to pour in. Here is what Tulua Mayor Gustavo Alvarez said:

[Begin Alvarez recording] Valle del Cauca does not need this war declared from Washington. Valle del Cauca will look for its own solutions and it is very possible that those gringos will not agree. I think that is what is behind the presence of U.S. soldiers dressed as Sisters of Charity. [end recording]

At first it was thought that the mission was going to be called off, but it did not turn out that way. From now until the final days of February, we will have U.S. soldiers on Colombian territory. The presence of U.S. troops in Colombia has always been a controversial issue.

Defense Minister Rafael Pardo Leaves Hospital

PA2812214393 *Santa Fe de Bogota Inrvasion*
Television Cadena 1 in Spanish 1730 GMT 28 Dec 93

[From the "National Newscast"]

[Text] Defense Minister Rafael Pardo Rueda was released from the Chahin Clinic where he had been for two weeks following an operation on his aorta artery.

Upon leaving the hospital, Pardo Rueda expressed support for the Venezuelan Government decision to create a special force to fight the Colombian guerrillas.

Cali Cartel Leaders Evade Army-Police Search

PA2912044493 *Santa Fe de Bogota EL NUEVO SIGLO*
in Spanish 27 Dec 93 pp 1, 6

[Text] Brothers Gilberto and Miguel Rodriguez Orejuela, accused of leading drug trafficking operations from Valle del Cauca Department, last weekend evaded a siege by combined Army and police units in the area of Juanchito, outside of Cali.

At least 150 Public Force members took over the area after receiving intelligence reports on the whereabouts of Cali Cartel members. According to the intelligence reports, the Rodriguez Orejuela brothers are reportedly attending the Cali Fair festivities, so the raids may yield results at any time.

The operation carried out last Saturday at the roadside taverns [estaderos] in Juanchito, however, was apparently foiled because the lieutenants of the Rodriguez Orejuela brothers managed to inform them of the military activity. The two main leaders of the Cali Drug Cartel were close to being captured this weekend during the beginning of festivities marking the 36th Cali Fair.

The foiled special operation by state security agencies was carried out based on intelligence reports that detected the presence of Miguel and Gilberto Rodriguez Orejuela where the Cali festivities were being held. Approximately 15 soldiers placed several barricades on Saturday in the town of Juanchito, outside of Cali, after determining that the Cartel leaders were to attend the festival. After a seven-hour wait, the Public Force units did not achieve favorable results.

This report was aired yesterday by the NTC newscast, also adding that the Army suspects Cartel informants warned their leaders about the implementation of the operation to bust them.

Official spokesmen neither confirmed nor denied the information. They only said that the activities registered at the roadside taverns in Juanchito is customary during the festivities to avoid disturbances. That is why security forces are constantly patrolling the rest of the city. It was reported, however, that the operations to find Cali Cartel members continue and security forces may act in Valle del Cauca territory at any time following intelligence reports. This is how the Medellin Cartel was dismantled, the sources asserted.

The Cali Cartel controls over 70 percent of the cocaine that is sent to the United States, according to the U.S. DEA. Its main rival, Pablo Escobar Gaviria, capo of the destroyed Medellin Cartel, died on 2 December in a

shoot out with the Search Bloc, when his haven in Medellin suburbs was raided.

The authorities' operation during the Cali Fair could cause new inconveniences in implementing the policy of submission to justice announced one week ago by the Prosecutor General's Office, after holding several contacts with the attorneys that represent drug trafficking capos in Valle del Cauca.

The leaders of the drug trafficking organization in Cali, including brothers Miguel and Fabio Urdinola Grajales and Jose Santacruz Londono, are negotiating with the government the possible mass surrender of their members next year. The disproportionate demands made by these people, however, prompted authorities to intensify their search.

Members of the Search Bloc, which ended its operations in Medellin following the death of Pablo Escobar, could reinforce these operations against Cali Cartel members in the next few days. Therefore, it is expected the search will intensify this week.

Roundup of Economic Developments Through 28 Dec PA2812191593

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 28 December. Source follows in parentheses after each item.

British Petroleum, which operates the Casanare Department Oil Fields, will open a second front for oil exploitation in the piedmont area near the eastern mountains next year. The oil company claims the "geological traps" they have found may mean the existence of important reserves in the area. (Santa Fe de Bogota EL TIEMPO in Spanish 18 Dec 93, p 3B)

By government decree, the minimum wage was readjusted because it was impossible to reach an agreement with the workers and businessmen at the National Labor Council. The minimum wage was increased by 21.09 percent, therefore, as of 1 January 1994, the basic monthly salary will be 98,700 pesos. Furthermore, the transportation subsidy for 1994 was set at 8,975 pesos per month and the price of gasoline will be increased by 19 percent, which is the goal for inflation in 1994. (Santa Fe de Bogota EL TIEMPO in Spanish 21 Dec 93; pp 1B, 3B)

The Cartagena Agreement Board (Junac) has reported that the Andean market continues to yield high growth rates. The exchange between the five Andean countries reached \$2.064 billion, an increase of 29.4 percent between January and September 1993. Excluding fuels, the exchange amounted to \$1.87 billion, which represents a 36-percent increase. Colombian exports to the subregion between January and September increased by 13 percent as compared to the same period in 1992, thus amounting to \$846 million. Imports from the remainder of the countries passed from \$447 million in 1992, to \$799

million in 1993, an increase of 78.8 percent. (Santa Fe de Bogota EL TIEMPO in Spanish 21 Dec 93; pp 1B, 3B)

The National Government has reported that the Labor Adaptation Plan has been a complete success and that more than 15,000 state workers have left government service as part of the plan for state modernization. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 22 Dec 93, p 9)

Finance Minister Rudolf Hommes and Armando Montenegro, National Planning Department director, have reported that the national economy grew by 5.16 percent in 1993, the highest rate in seven years despite the serious crisis in the coffee sector. The officials have also reported that the fiscal deficit will only be 0.4 percent of the gross national product (GNP), approximately 200 billion pesos, instead of the expected 1 percent deficit; furthermore, investment has grown 30 percent and consumption 8.2 percent. Industry only grew 1.88 percent however, much less than expected, but this was due to problems in the coffee sector. Excluding coffee, Colombian industry grew 5.1 percent over 1993. (Santa Fe de Bogota EL TIEMPO in Spanish 23 Dec 93, pp 1A, 1B, 2B)

Miguel Urrutia, manager of the Bank of the Republic, has reported that a 500-peso coin will go into circulation on 27 December. The coin will be the metal currency with the highest value and will circulate jointly with the 500-peso bill. The new coin is intended to reduce costs, as metal coins last longer than paper money. (Madrid EFE in Spanish 1841 GMT 24 Dec 93)

A study conducted by the National Planning Department reports that Venezuelan 1993 investments in Colombia have tripled, from \$17 million in 1992 to \$65 million in 1993; thus, Venezuela has become the second largest investor in Colombia, after the United States, which invested twice as much as Venezuela. The Planning Department has also reported that U.S. investments in Colombia increased by 65 percent and the total amount invested by foreigners was \$408 million. Other countries that increased their investments in Colombia were: Panama, from \$27 million to \$47 million; Sweden, from \$164,000 to \$27 million; Aruba, from \$1.2 million to \$20 million; and Chile, from \$230,000 to \$12.2 million. (Madrid EFE in Spanish 1817 GMT 25 Dec 93)

Finance Minister Rudolf Hommes has announced the economic measures to be implemented and goals to be attained in 1994. He said the government expects to have an economic growth of more than 5 percent and to keep the inflation rate under 20 percent. The minister added that the government expects to have a fiscal deficit of 9 percent of the GNP. He announced that the state will sell the Bank of Colombia and the People's Bank. (Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 0130 GMT 27 Dec 93)

*** Reorganization of Police Force Discussed**

94SM0121B Santa Fe de Bogota EL TIEMPO in Spanish 18 Nov 93 p 14A

[Text] The direction and control of the police, which until now has been virtually concentrated in the police commands of Cali, Medellin, Barranquilla, Bucaramanga, and other cities, will be in the hands of department commands from now on. Except in the case of Bogota, where the Metropolitan Police Command will continue to function under the direction of General Luis Enrique Montenegro Rinco, police forces all over the country will be functionally and operationally run by the department commands. In practice, the restructuring will bring about 60,000 police officers into a new organization.

The announcement was made yesterday by Gen. Octavio Vargas Silva, assistant director of the National Police. Vargas stated that the merger of the metropolitan police forces with the department commands will take place in every capital in the country.

The top official explained that in the next few days, the high command of the National Police will finalize the details of the new order in the institution. The commanders of all the police garrisons in the country will attend a summit meeting.

Gen. Vargas also stated that the draft regulations that will establish the discipline and promotion system for agents, noncommissioned officers, and officers in that armed institution are now ready for approval.

Salaries

With regard to discipline, yesterday, a police source explained that the draft regulations call for stiff punishments to prevent corruption in the ranks and to combat bureaucracy, with a view to "streamlining the police service."

"There will no longer be any operation commanders or district commanders," said Gen. Vargas, "only station commanders, who will deal directly with mayors, municipal councils, governors, and department commanders."

Gen. Vargas also indicated that the National Police are planning a major restructuring of salaries: "The officer salary level is being combined with that of directors and the executive level is being combined with that of noncommissioned officers. In addition," he went on, "the category of noncommissioned officers and agents is being merged, and other ranks are being established in order to improve remuneration."

Traditional policemen will no longer be seen in the cities, said the official, but will be replaced by patrolmen who will be responsible for law enforcement in the capital cities of the country.

At the rural level, uniformed men will belong to the Carabineros, while those in the Judicial Police will be given the title of investigator. "This distribution," stated

Gen. Vargas, "will be properly balanced and computerized, and will bring stability to the respective positions. To begin with, we have designated Cundinamarca a model for the reform program."

*** Commentary Views Problems in Samper Campaign**

94SM0123A Santa Fe de Bogota EL TIEMPO in Spanish 28 Nov 93 p 4A

[Commentary by Enrique Santos Calderon: "A Campaign That Can't Get Going"]

[Text] Although it has now been six months since Ernesto Samper Pizano's presidential campaign was launched on 17 May, it does not appear to have got going. Something is happening, but it is not taking off.

In any event, what we are seeing is not an overwhelming political phenomenon that gives the impression of a gradual buildup of force and growing popular enthusiasm. Various factors are to blame, ranging from the drastic limitation of public demonstrations and large-scale events for security reasons, to the widespread climate of apathy among the citizens, which could also be attributed to the lack of new ideas and the overall discrediting of the political class.

Also contributing to this feeling of stagnation are incidents such as the *porrazo* [literally, a blow with a stick, but also a play on the name of Evaristo Porras] scandal in Leticia and the candidate's own blunders. The latest one of these—the revelation that Samper had asked President Gaviria to remove Andres Pastrana's ministers—projected an image of palace intrigue and bureaucratic manipulation that does nothing to help the candidate. Especially when the Pastrana ministers, Moreno in Development and Ramirez in Labor, are among the most competent in the cabinet.

The heated debate on the Social Security Law gave rise to another notorious *faux pas* by the Liberal precandidate, who had just returned from his post as ambassador to Spain. Not only did the incident reveal that he did not have a clear picture of this vital issue, but it resulted in the emergence of a number of completely antagonistic positions within his movement. The middle-of-the-road compromise offered by Samper did not please anyone.

The reservations that Ernesto Samper expressed at the very beginning and continues to hold with regard to Gaviria's economic liberalization policy have distanced him from the government and the business associations that support this strategy. And although they have ingratiated him with all of the sectors that have been harmed by the liberalization (such as the farm sector), there is a certain impression in public opinion that Samper is not up to the modernization of the economy because he fears damaging traditional interests, either in labor or in industry.

The tactic of injecting humor and spice into the campaign has not done him much good, either. The attempt to tease Andres Pastrana as "the man with the little mustache" backfired on him when the Pastranists decided to use their candidate's mustache—he is the only one who wears one—as a symbol to distinguish and identify him. Almost like a marketing gimmick, similar to Menem's sideburns.

All of the above has in one way or another gummed up the works in the Samper campaign. But I think the underlying problem is the complicated balancing act that Ernesto Samper is forced to engage in: with the government of which he is a member, although he does not share some of its positions; with Turbay, the formal leader of the Liberal Party, although the real leader may be Samper; and with his own Liberal rivals.

The fact that he is the leading choice among the precandidates means that he cannot speak as a precandidate, but rather as the candidate who may be the next president. Anything he says or promises takes on very specific connotations. At the same time, he is the target of unrelenting criticism by the other aspirants in his party, with all the wear and tear that entails, so Samper cannot respond in kind.

Thus, he has no one to fight with. It is not appropriate for him to fight with Gaviria; it does him no good to pick a fight with Pastrana, who will not even get into the ring yet. Someone illustrated the situation for me by using a boxing analogy, in which Samper has been standing in the ring for a long time, waiting for the main heavyweight match to begin, and his opponent does not appear. All kinds of featherweights show up, throwing little punches at him that he merely dodges. But the main event between Kid Bigotes [the Mustache Kid] and Rocky Bojote [Big Rocky] does not start. The audience gets bored and begins to leave or to throw things into the ring....

Many Samperists claim that another drawback is the fact that Gaviria sympathizes more with Andres Pastrana than with his party's candidate. Mauricio Vargas's book tends to reinforce this impression, because the former communications minister portrays Samper in a very negative light, which benefits Gaviria.

The president tried to head off this uncomfortable situation in his statements to RCN [National Radio Network], in which he said that some people are trying to drive a wedge between him and Samper, but all he feels for his former minister is "respect, admiration, and gratitude."

These words could be interpreted as a pat on the back—one that is sorely needed, moreover—for Samper's campaign. Or at least as an effort to muzzle those who are spreading rumors about his anti-Samper attitude.

At any rate, Ernesto Samper's presidential campaign will need more than these presidential shoulder pats to gain the necessary momentum to propel him into the office of the chief executive. His general staff must be thinking

about a major shakeup. I do not have any idea how or where they will do it, but that is what all those advisers and handlers are for.

Ecuador

Defense Minister Rejects Possibility of Coup

PA2912042193 Paris AFP in Spanish 2052 GMT 28 Dec 93

[Text] Guayaquil, 28 Dec (AFP)—The Ecuadoran Armed Forces deeply respect democracy, Ecuadoran Defense Minister Jose Gallardo said today when he rejected any possibility of a military coup in his country. Gallardo stated this in a television interview when he was asked about the possibility of a dictatorship. That is remote because President Sixto Duran-Ballen is a democrat, because there are truly patriotic individuals in the National Congress, and because the Armed Forces respect democracy from the bottom of their hearts," he insisted. [quotation mark as received]

He stressed that "we are living in new times" and added that "democracy is the best government system because it is based on reason." He denied that Vice President Alberto Dahik has "knocked on the doors of the garri-sons," as some political opposition leaders have suggested. "I think the vice president is totally loyal to the president," he stressed. Gallardo warned that if someone were to try to undertake any action against democracy, that individual must bear in mind that the Armed Forces would react. He added that democracy should have absolute trust in the Armed Forces' good faith.

Gallardo's statements come when there has been an easing of political tension this week after a confrontation between the Executive Branch and Congress over the government's introduction of a bill to create new taxes. Congress has accepted the convening of special sessions by the president to analyze the tax issue, but it has warned that it will only approve measures to improve the collection of taxes and not their increase. Meanwhile, the government has sent signals that it will accept Congress' decisions.

Roundup of Economic Developments Through 28 Dec PA2812235093

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored through 28 December. Source is cited in parentheses following each item.

A report prepared by the Economic Commission for Latin America and the Caribbean indicates that Peru's GNP grew less than 2 percent in 1993, the lowest in the past three years. According to the report, which was issued in Santiago, Chile, Ecuador's production grew by less than 0.5 percent and goods and services imports dropped by 4 percent. (Quito Voz de los Andes in Spanish 2300 GMT 21 Dec 93)

Pablo Delgado, manager of the National Association of Coffee Exporters of Ecuador announced on 24 December that on 1 January 1994, the country will join the Coffee Retention Plan created by the coffee-producing countries in an effort to stabilize coffee prices. (Paris AFP in Spanish 1754 GMT 24 Dec 93)

The Ecuadoran Government announced on 24 December that in January 1994 it will increase the workers' legal minimum salary by approximately 15 percent. Labor Minister Alfredo Corral noted that despite the fact that Ecuador's fiscal deficit will suffer as a result of the abrupt plunge in oil prices to less than \$10 a barrel, the salary will be improved. (Paris AFP in Spanish 1649 GMT 24 Dec 93)

Paraguay

Industry Minister on Airline Privatization

PY2812160793 Asuncion NOTICIAS in Spanish 28 Dec 93 p 15

["Part" of interview with Industry and Commerce Minister Ubaldo Scavone by unidentified NOTICIAS reporter; place and date not given]

[Text] [NOTICIAS] What will happen with LAPSA [Paraguayan Airlines, Inc]?

[Scavone] I am following the problem closely through the Privatization Council. I know that LAPSA operates on very good routes, flying almost full most of the time. Except for the flight to Lima, all other flights are profitable from the point of view of the passenger rate. The problem is that the planes are inadequate and we have a very heavy administrative structure. The European administrative section is too expensive for LAPSA. By introducing some corrections and solving some difficulties of the moment, such as the problem with GPA [expansion unknown], which rents us the plane, we could cut the operative losses and then seek to associate the company with other companies or individuals, permitting us to get more out of some routes, including the possible increase in frequencies in profitable routes.

[NOTICIAS] What else do we need?

[Scavone] We need to make it fit to operate in an open market. We are working on the matter at the Privatization Council and the Congressional Privatization Commission. We want to make LAPSA attractive because right now it is not.

Pilots, crews, and most other LAPSA employees must not worry. The worst thing that could happen is for LAPSA to stop operating. That would be a terrible thing. The government is determined to go through a streamlining period and put up a war administration, as someone said. Employees must know that those who stay will have a better time later.

[NOTICIAS] Now a more political question: Will you accompany President Juan Carlos Wasmosy to the end of his administration?

[Scavone] It is the president who must decide whether he needs me or not. I am willing to continue working. I will stay if I am permitted to work for the development of the industrial sector, establishing clear rules of the game for all economic operators. I will accompany the president for as long as he needs me.

[NOTICIAS] What can you tell us about the speeches at Feprinco [Production, Industry, and Commerce Federation]?

[Scavone] I can speak about the issue with authority because I used to be an active member of the business association. Feprinco usually presents specific business concerns. They usually attack the grand lines. They want to see a smaller state, more economic freedoms, lower fiscal spending, and more state investment. But I can tell you that 98 percent of what was asked for at the 1987 business forum has been fulfilled.

What was being asked for concerning free private initiative has been almost fully implemented. We only need to complete the financial reform and fight contraband by economic means because repressive measures have been impossible, and of course we would all want to reduce our current spending.

Peru

Explosion at Air Force Funeral Home Kills 2

PA2812194993 Lima Radio Programas del Peru Network in Spanish 1800 GMT 28 Dec 93

[Report by Rocio Vicente and Mabel Valenzuela; from the "Newspaper of the Airways" newscast]

[Text] Vicente and Valenzuela are five blocks away from our radio station, behind RTP Television, at the Peruvian Air Force Funeral Home, which was hit by an explosion. Some people could have died. Let us listen to Rocio Vicente:

[Vicente] It has been confirmed that two people have died as a result of the terrorist attack near RTP Television. We are here with a lady. What happened?

[Unidentified speaker] There had been threats [words indistinct]. That funeral home belongs to the Air Force and the one on the corner is the Navy's. They are constantly receiving threats. We are the only residents of this neighborhood. We had been told to be careful because there had been threats; these threats had been reported, but the funeral home was never protected. We live in Tepun.

[Vicente] This woman was one of the victims. She was injured by the explosion at the Air Force Funeral Home, which was the site most damaged by the explosion. The

explosion completely destroyed several vehicles. There are broken windows and some walls are about to collapse. Mabel Valenzuela is at another area of the site of the explosion. Go ahead, Mabel:

[Valenzuela] We are with some doctors from the Social Security Institute Field Hospital. How many people have you cared for, Doctor?

[Unidentified speaker] The Field Hospital arrived here two minutes after the explosion. We arrived with two ambulances and tended six patients, two of whom are Air Force members. These two patients have been taken to the Peruvian Air Force Hospital by request from Intelligence [word indistinct].

[Valenzuela] What about the others?

[Doctor] Some have been sent to Revaliate Hospital and the rest were examined here and released.

[Valenzuela] You went inside the building. Could there be people in there? There are reports that two people died.

[Unidentified speaker] We are here in case there are more injured people to take them away. We are ready for any incident.

[Valenzuela] Thank you, doctor. More firemen and Social Security Institute people are arriving to back up those already here. High-ranking Air Force officers have just arrived. They are making no statement and are entering the damaged building.

[Vicente] The situation at Giron Torres Paz, in Santa Beatriz Neighborhood, a few meters away from RTP Television, is still tense. Firemen are continuing to give attention to the injured. We do not have the name of the person who died yet, but according to initial police reports the victim could be a girl. She has already been covered with a sheet. The police and the Air Force are maintaining absolute silence.

Army Destroys Coca Plantations, Maceration Pits
PY2812205293 Lima EL COMERCIO in Spanish 10 Dec 93 p A24

[Text] Bagua, 9 Dec—Over the past few days, the Army has destroyed 500 hectares of coca plantations and 28 maceration pits in the provinces of Condorcanqui and Bagua (Amazonas Department). Brigadier General Carlos Grigoletto Cortijo, commander of the 5th Jungle Infantry Division, said that this operation was supported by the authorities and campesino communities in the area. He added that more than 20 people were arrested and that so far 28 maceration pits which had been installed close to the plantations have been destroyed in the provinces of Bagua and Condorcanqui. He indicated that an important amount of precursors for the production of drugs was also seized.

Grigoletto Cortijo stated that 500 hectares of coca plantations were destroyed in the Santa Maria de Nieva area.

Local inhabitants have reported that there are more coca plantations further up the Nieva River. This region can be reached by motor boats and other types of transportation.

He indicated that the strong pressure against traffickers in the Central Huallaga area has caused many of them to move to El Muyo, Miramar, Salinas, Montenegro, Chiriac, and Santa Maria de Nieva in the provinces of Bagua and Condorcanqui, where they have planted coca and constructed maceration pits.

Grigoletto Cortijo said there are many native communities in those areas and the chiefs of these communities are persuaded to support the planting of coca. "The large sums of money paid by the traffickers convinces many of the chiefs to support the planting of coca in their territories."

APRA Accepts A. Garcia's Resignation

PA2812130493 Lima Global de Television Network in Spanish 0100 GMT 28 Dec 93

[From the "Global TV News" newscast]

[Text] The decision of [former President] Alan Garcia to resign from party positions and activities is an act of altruism that will enable him to defend himself when the right time comes along, Armando Villanueva del Campo, secretary general of the American Popular Revolutionary Alliance (APRA), said today. He stated this is only a temporary separation.

[Begin recording] [Villanueva] Companero Alan Garcia Perez, Santa Fe de Bogota, Colombia:

Dear companero: I address this letter to you on behalf of the party and in response to your 25 December letter, in which you expressed your desire to distance yourself "definitely" from every position or post of honor, as well as "every party activity." I want to tell you that we respect and accept your decision. In other words, the party accepts and respects the decision of companero Garcia.

Convinced of your innocence, we are confident the falsehood of the accusations made against you will surface.

[Unidentified reporter] Why doesn't Mr. Alan Garcia face directly all these serious accusations?

[Villanueva] He will do so when the right time comes along. He will do so at the right time.

[Reporter] Isn't this the right time?

[Villanueva] The right time will be when he decides it is time to defend himself, as he stated in his letter, which I hope you all have read. [end recording]

Roundup of Economic Developments Through 28 Dec
PA2812165893

[Editorial Report] The following is a compilation of reports on Peru's economic developments monitored through 28 December 1993. Source is cited in parentheses following each item.

A Peruvian-Brazilian consortium has signed a contract with the state-owned enterprise Petroperu to build a 35-km oil pipeline between the Chambira and Trompeteros oil fields, a diesel pipeline of the same length between Trompeteros and Chambira, and a 14-km water pipeline from the Pucayacu River to Chambira, all in Loreto Department. (Paris AFP in Spanish 2026 GMT 21 Dec 93)

As part of a mutual effort to improve trade and reciprocal investments, the Spanish and Peruvian Governments have begun operating a hydroelectric plant that will benefit 7,200 families in Lircay Province on the Peruvian Andes. The two governments will share equally the \$212 million cost, the Spanish Agency for International Cooperation, AECI, has reported. The nonreimbursable financial assistance agreed upon in 1991 has reached nearly \$15 million with the development of fruit production programs in Amazonia in attempt to substitute other crops for coca. (Paris AFP in Spanish 2028 GMT 21 Dec 93)

Congress has unanimously agreed to lower the general sales tax on certain farming and livestock products to 5 percent. The bill, which exempts 68 farming products and would be in effect until to 31 December 1995, has been sent to the executive. (Lima Global de Television Network in Spanish 0100 GMT 22 Dec 93)

Peru's agricultural and livestock production grew by 9.6 percent in November, for an accumulated total growth of 5.4 percent in 1993, the Agriculture Ministry has reported. The improvement reportedly is due to better weather and alternative financial sources. (Paris AFP in Spanish 1752 GMT 23 Dec 93)

According to the National Commission for Foreign Investment and Technology, CONITE, foreign investment in Peru reached \$1.5 billion from January to December 1993 as the result of investment, commercial and legal reforms, as well as pacification. The highest percent of investment occurred in the mining sector with 35.28 percent, followed by industry with 32.73 percent, commerce with 13.21 percent, and finance with 11.10 percent. Foreign investment in the capital market reached \$1.17 billion in 1993. (Hamburg DPA in Spanish 1602 GMT 24 Dec 93)

The Central Reserve Bank has reported that Peru's net international reserves reached \$2.773 billion as of 21 December. The net increase so far this year is \$772 million, with exceeds the figure for the end of November by \$191 million. (Paris AFP in Spanish 1615 GMT 27 Dec 93)

Uruguay**Executive Branch Explains Meaning of GATT Round**

PY2912010793 Montevideo LA MANANA in Spanish 18 Dec 93 p 2

[Text] As the Uruguay GATT Round is about to end, the Executive Branch deems it necessary to explain the following points to the public:

1) After seven years of intensive and complex negotiations, the conclusion of the Uruguay Round of GATT takes the commitment of more than 100 countries in ensuring a framework of multilateral trade. In an international framework marked by profound changes in the economic and political structures the agreement achieved has contributed to preventing a confrontation that, had the negotiations failed, would have brought about unpredictable negative consequences for international trade, especially for the interests of developing nations.

2) According to the Executive Branch, the Uruguay Round's final document includes a set of rules and disciplinary measures to liberate international trade and reduce unilateral protectionist measures imposed by the economies of developed countries. The agreement achieved, notwithstanding its imperfections and insufficiencies, contributes to consolidating the multilateral trade system as the main instrument to defend the principles of equilibrium and universality that inspire GATT's functioning.

Moreover, it must be said that the Uruguay Round included those industries that traditionally have been outside the free trade rules established by GATT and are particularly important for the interests of Uruguay because of the natural competitiveness that develop in them. This situation allows that the trade within GATT of agricultural products, textiles, clothing, and services can be conducted within a multilateral normative and tariff system.

3) In the final document's chapter dealing with agricultural products, the Executive Branch expresses its disagreement over the outcome that, although it represents progress in relation to the previous situation, it does not meet all the expectations or universal interests of the developing nations as stated in the Rio Group declaration on 11 December.

Uruguay, however, feels that the inclusion within GATT of clear rules must be studied for a gradual and favorable process for dismantling the subsidies applied to the production and export of agricultural products, even though the agreements achieved are considered partial, incomplete, and nondefinite commitments.

4) The creation of the multilateral trade organization intended to replace the current and precarious legal nature of GATT must be stressed as a positive aspect

within the institutional aspect. The agreement, intended to strengthen the multilateral system and the implementation of the international law, must give life to a new permanent institutional structure that will administer international trade in the future and establish an integrated system of solutions to disagreements with the developing nations, especially Uruguay. These countries will benefit from the implementation of more transparent rules with greater legal security.

5. Simultaneous with multilateral negotiations, bilateral negotiations have been carried out between Uruguay and its main trade partners in order to obtain specific tariff concessions granted to those more sensitive export prod-

Intensive diplomatic negotiations are still being carried out to improve the conditions for Uruguay's access, especially to the markets of the United States and European Union, for certain products that are in its commercial interest.

6) Consequently, when the Uruguay Round is formally closed next March, Uruguay will have concluded its participation since its creation in Punta del Este in 1986. In conclusion, Uruguay made its greatest efforts at both the multilateral and bilateral levels, using all its negotiating capacity to contributing with responsibility and equilibrium in defending the country's interests and guaranteeing within the insti

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